

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

March 20, 2009

CHANGE NOTICE NO. 8
TO
CONTRACT NO. 071B4200228
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Netwerkes.com P.O. Box 244 Appleton, WI 54912-0244 gregmargrett@netwerkes.com	TELEPHONE (262) 953-2465 Greg Margrett BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Keelie Honsowitz (517) 335-6201 Conversion of Paper Medicaid Claims to Electronic Transactions - DCH	
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2009	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NOTICE OF CHANGE (S):

Effective immediately, this Contract is hereby INCREASED by \$500,000.00. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per DCH request, Ad Board approval on 3/17/09, and DMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$6,395,500.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

June 19, 2008

CHANGE NOTICE NO. 7
TO
CONTRACT NO. 071B4200228
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE William McLaughlin (262) 695-3391 Ext. 101
Netwerkes.com P.O. Box 244 Appleton, WI 54912-0244 william.mclaughlin@netwerkes.com		
Contract Compliance Inspector: Keelie Honsowitz (517) 335-6201 Conversion of Paper Medicaid Claims to Electronic Transactions - DCH		BUYER/CA (517) 241-4225 Kevin Dunn
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2009		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NOTICE OF CHANGE (S):

Effective immediately, this Contract is hereby EXTENDED through September 30, 2009, and INCREASED by \$350,000.00. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per DCH request, Ad Board approval on 6/17/08, and DMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$5,895,500.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

February 5, 2008

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B4200228
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE William McLaughlin (262) 695-3391 Ext. 101
Netwerkes.com P.O. Box 244 Appleton, WI 54912-0244 <u>william.mclaughlin@netwerkes.com</u>		
		BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Keelie Honsowitz (517) 335-6201 Conversion of Paper Medicaid Claims to Electronic Transactions - DCH		
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2008		
TERMS N/A		SHIPMENT N/A
F.O.B. N/A		SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NOTICE OF CHANGE (S):

Effective immediately, the Contract Compliance Inspector for this Contract is hereby CHANGED to:

Keelie Honsowitz
Department of Community Health
Provider Relations and EDI Services
Phone: (517) 335-6201
Fax: (517) 335-3766
Email: HonsowitzK@michigan.gov

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per DCH request and DMB/Purchasing Operations' approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$5,545,500.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

October 2, 2007

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B4200228
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE William McLaughlin (262) 695-3391 Ext. 101
Netwerkes.com P.O. Box 244 Appleton, WI 54912-0244 william.mclaughlin@netwerkes.com		
Contract Compliance Inspector: Karen Parker Conversion of Paper Medicaid Claims to Electronic Transactions - DCH		BUYER/CA (517) 241-4225 Kevin Dunn
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2008		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NOTICE OF CHANGE (S):

Effective immediately this Contract is hereby EXTENDED to September 30, 2008 and INCREASED by \$900,000.00. All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per DCH request, Ad Board approval on September 18, 2007, and DMB/Purchasing Operations' approval.

INCREASE: \$900,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$5,545,500.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

July 20, 2006

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B4200228
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE William McLaughlin (262) 695-3391 Ext. 101
Netwerkes.com P.O. Box 244 Appleton, WI 54912-0244 william.mclaughlin@netwerkes.com		
Contract Compliance Inspector: Karen Parker Conversion of Paper Medicaid Claims to Electronic Transactions - DCH		BUYER/CA (517) 241-4225 Kevin Dunn
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2007		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NOTICE OF CHANGE (S):

Effective immediately this Contract is hereby EXTENDED to September 30, 2007 and INCREASED by \$1,000,000.00. All other terms, conditions, specifications and pricing remain unchanged.

Please note: The buyer has been changed to Kevin Dunn.

AUTHORITY/REASON:

Per DCH request (MDCH-06-303) and DMB/Purchasing Operations approval.

INCREASE: \$1,000,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$4,645,500.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

June 27, 2006

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B4200228
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Netwerkes.com P.O. Box 244 Appleton, WI 54912-0244 <u>william.mclaughlin@netwerkes.com</u>	TELEPHONE William McLaughlin (262) 695-3391 Ext. 101 BUYER/CA (517) 241-1647 Irene Pena, CPPB
Contract Compliance Inspector: Karen Parker Conversion of Paper Medicaid Claims to Electronic Transactions - DCH	
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2006	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NOTICE OF CHANGE(S):

Effective immediately this Contract is assigned to Netwerkes, LLC d.b.a. Netwerkes.com. Vendor address remains the same.

AUTHORITY/REASON:

Per vendor request and DMB/Purchasing Operations approval.

Estimated Contract Value Remains: **\$3,645,500.00**

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

June 2, 2006

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B4200228
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE William McLaughlin (262) 695-3391 Ext. 101
Netwerkes.com P.O. Box 244 Appleton, WI 54912-0244 william.mclaughlin@netwerkes.com		
Contract Compliance Inspector: Karen Parker Conversion of Paper Medicaid Claims to Electronic Transactions - DCH		BUYER/CA (517) 241-1647 Irene Pena, CPPB
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2006		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NOTICE OF CHANGE(S):

Effective immediately the Contract Compliance Inspector is changed to Karen Parker (517) 335-5455 – ParkerK@michigan.gov. All terms and conditions remain the same.

AUTHORITY/REASON:

Per agency request and DMB/Purchasing Operations approval.

Estimated Contract Value: \$3,645,500.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

September 23, 2005

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B4200228
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Netwerkes.com P.O. Box 244 Appleton, WI 54912-0244 <u>william.mclaughlin@netwerkes.com</u>	TELEPHONE William McLaughlin (262) 695-3391 Ext. 101 BUYER/CA (517) 241-1647 Irene Pena, CPPB
Contract Compliance Inspector: Dave McLaury Conversion of Paper Medicaid Claims to Electronic Transactions - DCH	
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2006	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NOTICE OF CHANGE(S):

Please note effective IMMEDIATELY this contract is hereby INCREASED \$800,000.00 and EXTENDED one year through September 30, 2006. All terms and conditions remain the Same.

Estimated Contract Value: \$3,645,500.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

May 12, 2004

NOTICE
TO
CONTRACT NO. 071B4200228
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE William McLaughlin (262) 695-3391 Ext. 101
Netwerkes.com P.O. Box 244 Appleton, WI 54912-0244 william.mclaughlin@netwerkes.com		
Contract Compliance Inspector: Dave McLaury Conversion of Paper Medicaid Claims to Electronic Transactions - DCH		BUYER/CA (517) 241-1647 Irene Pena, CPPB
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2005		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

The terms and conditions of this Contract are those of ITB #071I4001048, this Contract Agreement and the vendor's quote dated 12/16/2003. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: \$2,845,500.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B4200228
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Netwerkes.com P.O. Box 244 Appleton, WI 54912-0244 <u>william.mclaughlin@netwerkes.com</u>		TELEPHONE William McLaughlin (262) 695-3391 Ext. 101 BUYER/CA (517) 241-1647 Irene Pena, CPPB
Contract Compliance Inspector: Dave McLaury Conversion of Paper Medicaid Claims to Electronic Transactions - DCH		
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2005		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #071I4001048, this Contract Agreement and the vendor's quote dated 12/16/2003. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$2,845,500.00		

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I4001048. A Purchase Order Form will be issued only as the requirements of the Department of Community Health are submitted to Acquisition Services. Orders for delivery may be issued directly by the Department of Community Health through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

FOR THE VENDOR: Netwerkes.com _____ Firm Name _____ Authorized Agent Signature _____ Authorized Agent (Print or Type) _____ Date	FOR THE STATE: _____ Signature Anthony J. DesChenes, Director _____ Name Strategic Business Development Acquisition Services _____ Title _____ Date
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SECTION I CONTRACTUAL SERVICES TERMS AND CONDITIONS

I-A PURPOSE

The purpose of this Contract is to provide enhancement of electronic billing to Medicaid program Category 1, Category 2 (COB), Conversion of paper claims to electronic formats and billing options over the internet, and EDI

Contract awarded from this solicitation will be a unit price Contract.

I-B TERM OF CONTRACT

The State of Michigan is not liable for any cost incurred by any bidder prior to signing of a Contract by all parties. The activities (be sure to spell out activity) in the proposed Contract cover the period April 1, 2004 to September 30, 2005 with two optional one-year renewals. The State fiscal year is October 1st through September 30th. The Contractor should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations.

I-C ISSUING OFFICE

This Contract is issued by the State of Michigan, Department of Management and Budget (DMB), Acquisition Services, hereafter known as Acquisition Services, for the State of Michigan, Michigan Department of Community Health. Where actions are a combination of those of Acquisition Services and Michigan Department of Community Health, the authority will be known as the State.

Acquisition Services is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein.

Acquisition Services is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Contract. Acquisition Services will remain the SOLE POINT OF CONTACT throughout the procurement process, until such time as the Director of Acquisition Services shall direct otherwise in writing. See Paragraph II-C below. All communications concerning this procurement must be addressed to:

Irene Pena, CPPB
DMB, Acquisition Services
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909
Penai1@michigan.gov
Phone: (517) 241-1647

I-D CONTRACT COMPLIANCE INSPECTOR

Upon receipt at Acquisition Services of the properly executed Contract Agreement, it is anticipated that the Director of Acquisition Services will direct that the person named below or any other person so designated be authorized to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of this Contract implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of such Contract. That authority is retained by Acquisition Services. The Contract Compliance Inspector for this project is:



David McLaury, Director
Bureau of Medicaid Financial Management
P.O. Box 30479
400 South Pine 7th Floor
Lansing, MI 48909-7979
mclauryd@michigan.gov
(517) 241-7135

I-E COST LIABILITY

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of this Contract. Total liability of the State is limited to the terms and conditions of this Contract.

I-F CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities offered in this proposal whether or not that Contractor performs them. Further, the State will consider the Prime Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the Contract. If any part of the work is to be subcontracted, the contractor must notify the state and identify the subcontractor(s), including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. The State reserves the right to approve subcontractors for this project and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

I-G NEWS RELEASES

News releases pertaining to this document or the services, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the program are to be released without prior approval of the State and then only to persons designated.

I-H DISCLOSURE

All information in a bidder's proposal and this Contract is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

I-I ACCOUNTING RECORDS

The Contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Auditor General at any time during the Contract period and any extension thereof, and for three (3) years from the expiration date and final payment on the Contract or extension thereof.



A. General Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

1. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract.
2. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;
3. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
4. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
5. any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

B. Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software,



commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

C. Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclause.

D. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect notwithstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

I-K LIMITATION OF LIABILITY

Except as set forth herein, neither the Contractor nor the State shall be liable to the other party for indirect or consequential damages, even if such party has been advised of the possibility of such damages. Such limitation as to indirect or consequential damages shall not be applicable for claims arising out of gross negligence, willful misconduct, or Contractor's indemnification responsibilities to the State as set forth in Section I-J with respect to third party claims, action and proceeding brought against the State.

I-L NON INFRINGEMENT/COMPLIANCE WITH LAWS

The Contractor warrants that in performing the services called for by this Contract it will not violate any applicable law, rule, or regulation, any contracts with third parties, or any intellectual rights of any third party, including but not limited to, any United States patent, trademark, copyright, or trade secret.

**I-M WARRANTIES AND REPRESENTATIONS**

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor has not provided any gifts, payments or other inducements to any officer, employee or agent of the State;

I-N TIME IS OF THE ESSENCE

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

I-O STAFFING OBLIGATIONS

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall not remove or reassign, without the State's prior written approval any of the Key Personnel until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.

**I-P WORK PRODUCT AND OWNERSHIP**

1. Work Products shall be considered works made by the Contractor for hire by the State and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the Contractor and the State. If by operation of law any of the Work Product, including all related intellectual property rights, is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such Work Product, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned Work Product.
2. Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the "Development Tools") created, adapted or used by the Contractor in its business generally, including any and all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools, except as necessary to exercise its rights in the Work Product. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein.
3. The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

I-Q CONFIDENTIALITY OF DATA AND INFORMATION

1. All financial, statistical, personnel, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.



2. The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the Contractor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure. Compliance with all requirements of HIPAA is expected.

I-R REMEDIES FOR BREACH OF CONFIDENTIALITY

The Contractor acknowledges that a breach of its confidentiality obligations as set forth in section I-Q of this Contract shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State shall be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other remedy or damages provided by law.

I-S CONTRACTOR'S LIABILITY INSURANCE

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract. The Contractor also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

All insurance coverage's provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The Insurance shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater. All deductible amounts for any of the required policies are subject to approval by the State.

The State reserves the right to reject insurance written by an insurer the State deems unacceptable.

BEFORE THE CONTRACT IS SIGNED BY BOTH PARTIES OR BEFORE THE PURCHASE ORDER IS ISSUED BY THE STATE, THE CONTRACTOR MUST FURNISH TO THE DIRECTOR OF Acquisition Services, CERTIFICATE(S) OF INSURANCE VERIFYING INSURANCE COVERAGE.

THE CERTIFICATE MUST BE ON THE STANDARD "ACCORD" FORM. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF



INSURANCE TO ASSURE CORRECT FILING. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. Such NOTICE must include the CONTRACT NUMBER affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909.

The Contractor is required to provide the type and amount of insurance checked (☒) below:

- ☒ 1. Commercial General Liability with the following minimum coverages:

\$2,000,000 General Aggregate Limit other than Products/Completed Operations
\$2,000,000 Products/Completed Operations Aggregate Limit
\$1,000,000 Personal & Advertising Injury Limit
\$1,000,000 Each Occurrence Limit
\$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability policy.

- ☒ 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability policy.

- ☒ 3. Worker's disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. NOTE: (1) If coverage is provided by a State fund or if Contractor has qualified as a self-insurer, separate certification must be furnished that coverage is in the state fund or that Contractor has approval to be a self-insurer; (2) Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable; and (3) Any policy of insurance must contain a provision or endorsement providing that the insurers' rights of subrogation are waived. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- ☐ 4. For contracts providing temporary staff personnel to the State, the Contractor shall provide an Alternate Employer Endorsement with minimum coverage of \$1,000,000.

- ☒ 5. Employers liability insurance with the following minimum limits:

\$100,000 each accident
\$100,000 each employee by disease



\$500,000 aggregate disease

- ☐ 6. Professional Liability Insurance (Errors and Omissions coverage) with the following minimum coverage
 - ☐ \$1,000,000 each occurrence and \$3,000,000 annual aggregate
 - ☐ \$3,000,000 each occurrence and \$5,000,000 annual aggregate
 - ☐ \$5,000,000 each occurrence and \$10,000,000 annual aggregate
- ☐ 7. Medical Professional Liability, minimum coverage
 - ☐ \$100,000 each occurrence and \$300,000 annual aggregate
 - ☐ \$200,000 each occurrence and \$600,000 annual aggregate
 - ☐ \$1,000,000 each occurrence and \$5,000,000 annual aggregate

I-T NOTICE AND RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

I-U CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess reprocurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.



- In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.
2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
 3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
 4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
 5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

I-V RIGHTS AND OBLIGATIONS UPON CANCELLATION

1. If the Contract is canceled by the State for any reason, the Contractor shall, (a) stop all work as specified in the notice of cancellation, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Work Product or other property derived or resulting from the Contract that may be in the



- Contractor's possession, (c) return all materials and property provided directly or indirectly to the Contractor by any entity, agent or employee of the State, (d) transfer title and deliver to the State, unless otherwise directed by the Contract Compliance Inspector or his or her designee, all Work Product resulting from the Contract, and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or cancellation settlement costs, to the maximum practical extent, including, but not limited to, canceling or limiting as otherwise applicable, those subcontracts, and outstanding orders for material and supplies resulting from the canceled Contract.
2. In the event the State cancels this Contract prior to its expiration for its own convenience, the State shall pay the Contractor for all charges due for services provided prior to the date of cancellation and if applicable as a separate item of payment pursuant to the Contract, for partially completed Work Product, on a percentage of completion basis. In the event of a cancellation for cause, or any other reason under the Contract, the State will pay, if applicable, as a separate item of payment pursuant to the Contract, for all partially completed Work Products, to the extent that the State requires the Contractor to submit to the State any such deliverables, and for all charges due under the Contract for any cancelled services provided by the Contractor prior to the cancellation date. All completed or partially completed Work Product prepared by the Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and the Contractor shall be entitled to receive just and fair compensation for such Work Product. Regardless of the basis for the cancellation, the State shall not be obligated to pay, or otherwise compensate, the Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
 3. If any such cancellation by the State is for cause, the State shall have the right to set-off against any amounts due the Contractor, the amount of any damages for which the Contractor is liable to the State under this Contract or pursuant to law and equity.
 4. Upon a good faith cancellation, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Work Product under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

I-W EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions

(provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In



such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable thereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

I-X ASSIGNMENT

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the Director of Acquisition Services.

I-Y DELEGATION

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid unless the Director of Acquisition Services has given written consent to the delegation.

I-Z NON-DISCRIMINATION CLAUSE

In the performance of this Contract, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The Contractor further agrees that every subcontract entered into for the performance of this Contract will contain a provision requiring non-discrimination in employment, as herein specified, binding upon



each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

I-AA WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at www.michigan.gov/mdcs.

I-BB MODIFICATION OF SERVICE

The Director of Acquisition Services reserves the right to modify this service during the course of this Contract. Such modification may include adding or deleting tasks that this service shall encompass and/or any other modifications deemed necessary.

This Contract may not be revised, modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. The Contractor shall provide a change order process and all requisite forms. The State reserves the right to negotiate the process during contract negotiation. At a minimum, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

1. Within five (5) business days of receipt of a request by the State for any such change, or such other period of time as to which the parties may agree mutually in writing, the Contractor shall submit to the State a proposal describing any changes in products, services, timing of delivery, assignment of personnel, and the like, and any associated price adjustment. The price adjustment shall be based on a good faith determination and calculation by the Contractor of the additional cost to the Contractor in implementing the change request less any savings realized by the Contractor as a result of implementing the change request.

The Contractor's proposal shall describe in reasonable detail the basis for the Contractor's proposed price adjustment, including the estimated number of hours by task by labor category required to implement the change request.

2. If the State accepts the Contractor's proposal, it will issue a change notice and the Contractor will implement the change request described therein. The Contractor will not implement any change request until a change notice has been issued validly. The Contractor shall not be entitled to any compensation for implementing any change request or change notice except as provided explicitly in an approved change notice.



3. If the State does not accept the Contractor's proposal, the State may:
 - a. withdraw its change request; or
 - b. modify its change request, in which case the procedures set forth above will apply to the modified change request.

If the State requests or directs the Contractor to perform any activities that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to so notify the State prior to commencing performance of the requested activities, any such activities performed before the Contractor gives notice shall be conclusively considered to be In-scope Services, not New Work.

If the State requests or directs the Contractor to perform any services or functions that are consistent with and similar to the services being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the scope of the Contractor's responsibilities and charges as set forth in the Contract, then prior to performing such services or function, the Contractor shall promptly notify the State in writing that it considers the services or function to be an "Additional Service" for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing such services or functions. If the Contractor does so notify the State, then such a service or function shall be governed by the change request procedure set forth in the preceding paragraph.

IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATIONS.

I-CC NOTICES

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

For the Contractor: **William McLaughlin**
President and Chief Executive Officer
Netwerkes.com
P. O. Box 244
Appleton, WI 54912-0244

For the State: **Irene Pena, CPPB**
Buyer
Acquisition Services
530 W. Allegan St.
Lansing, MI 48913



Either party may change its address where notices are to be sent giving written notice in accordance with this section.

I-DD ENTIRE AGREEMENT

The contents of this document and the vendor's proposal will become contractual obligations. Failure of the Contractor to accept these obligations may result in cancellation of the Contract.

This Contract shall represent the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject.

I-EE NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of this Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

I-FF SEVERABILITY

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

I-GG HEADINGS

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

I-HH RELATIONSHIP OF THE PARTIES

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

I-II UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board.

A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the



name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

I-JJ SURVIVOR

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

I-KK GOVERNING LAW

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

I-LL YEAR 2000 SOFTWARE COMPLIANCE

The Contractor warrants that services provided under this Contract including but not limited to the production of all Work Products, shall be provided in an accurate and timely manner without interruption, failure or error due the inaccuracy of Contractor's business operations in processing date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000, including leap year calculations. The Contractor shall be responsible for damages resulting from any delays, errors or untimely performance resulting therefrom.

I-MM CONTRACT DISTRIBUTION

Acquisition Services shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Acquisition Services.

I-NN STATEWIDE CONTRACTS

If the contract is for the use of more than one agency and if the goods or services provided under the contract do not meet the form, function and utility required by an agency, that agency may, subject to state purchasing policies, procure the goods or services from another source.

I-OO ADHERANCE TO PM METHODOLOGY STANDARD

The State has adopted a standard, documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. This policy is referenced in the document titled "Project Management Methodology" – DMB Administrative Guide Procedure 1380.02 issued June 2000. Vendors may obtain a copy of this procedure by contacting the DMB Office of Information Technology Solutions. The State of Michigan Project Management Methodology can be obtained from the DMB Office of Project Management's website at <http://www.state.mi.us/cio/opm>.

The contractor shall use the State's PMM to manage State of Michigan Information Technology (IT) based projects. The requesting agency will provide the applicable



documentation and internal agency processes for the methodology. If the vendor requires training on the methodology, those costs shall be the responsibility of the vendor, unless otherwise stated.

I-PP ELECTRONIC FUNDS TRANSFER

Electronic transfer of funds is available to State contractors. Vendors are encouraged to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at www.cpexpress.state.mi.us.

I-QQ TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to 30 days after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance. If the State cancels this Contract for cause, then the State will be entitled to off set the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation.

I-RR DISCLOSURE OF LITIGATION

1. The Contractor shall notify the State in its bid proposal, if it, or any of its subcontractors, or their officers, directors, or key personnel under this Contract, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. Contractor shall promptly notify the State of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor or any of the Contractor's subcontractor, or any of the foregoing entities' then current officers or directors during the term of this Contract and three years thereafter.
2. The Contractor shall notify the State in its bid proposal, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments that may have arisen against it or its subcontractors during the five years proceeding its bid proposal, or which may occur during the term of this Contract or three years thereafter, which involve (1) products or services similar to those provided to the State under this Contract and which either involve a claim in excess of \$250,000 or which otherwise may affect the viability or financial stability of the Contractor , or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or subcontractor, in any an amount less than \$250,000 shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.



3. All notices under subsection 1 and 2 herein shall be provided in writing to the State within fifteen business days after the Contractor learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Semi-annually, during the term of the Contract, and thereafter for three years, Contractor shall certify that it is in compliance with this Section. Contractor may rely on similar good faith certifications of its subcontractors, which certifications shall be available for inspection at the option of the State.
4. Assurances - In the event that such investigation, litigation, arbitration or other proceedings disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract, causes the State to be reasonably concerned about:
 - a) the ability of the Contractor or its subcontractor to continue to perform this Contract in accordance with its terms and conditions, or
 - b) whether the Contractor or its subcontractor in performing services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of this Contract or violation of Michigan or Federal law, regulation or public policy, then

The Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: (a) the Contractor or its subcontractors hereunder will be able to continue to perform this Contract in accordance with its terms and conditions, (b) the Contractor or its subcontractors will not engage in conduct in performing services under this Contract which is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings.

5. The Contractor's failure to fully and timely comply with the terms of this section, including providing reasonable assurances satisfactory to the State, may constitute a material breach of this Contract.

I-SS STOP WORK

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either:
 - a) Cancel the stop work order; or



- b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract price, or both, and the Contract shall be modified, in writing, accordingly, if:
 - a) The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and
 - b) The Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.
3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.
4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.
5. An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section.

I-TT LIQUIDATED DAMAGES

- A. The State and the Contractor hereby agree to the specific standards set forth in this Contract. It is agreed between the Contractor and the State that the actual damages to the State as a result of Contractor's failure to provide promised services would be difficult or impossible to determine with accuracy. The State and the Contractor therefore agree that liquidated damages as set out herein shall be a reasonable approximation of the damages that shall be suffered by the State as a result thereof. Accordingly, in the event of such damages, at the written direction of the State, the Contractor shall pay the State the indicated amount as liquidated damages, and not as a penalty.

Amounts due the State as liquidated damages, if not paid by the Contractor within fifteen (15) days of notification of assessment, may be deducted by the State from any money payable to the Contractor pursuant to this Contract. The State will notify the Contractor in writing of any claim for liquidated damages pursuant to this paragraph on or before the date the State deducts such sums from money payable to the Contractor. No delay by the State in assessing or collecting liquidated damages shall be construed as a waiver of such rights.

- B. The Contractor shall not be liable for liquidated damages when, in the opinion of the State, incidents or delays result directly from causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God, fires, floods, epidemics, and labor unrest; but in every case the delays must be beyond the control and without the fault or negligence of the Contractor.



C. Liquidated damages will be assessed as follows:

The Contractor is responsible to meet the standard of promptness guidelines for application processing listed in Section II-C.2. If performance falls below the indicated level and is not corrected within 30 days the Contractor will:

1. Not be paid for rejected claims exceeding 2% for any month
2. Not be paid for claims exceeding thirty days in the processing queue
3. Have a provider, provider type, or claim type reassigned to another Contractor for processing
4. Be assessed \$1,000.00 fine per provider that is reassigned for non-performance.



SECTION II WORK STATEMENT

II-A BACKGROUND/PROBLEM STATEMENT

The State of Michigan, Department of Community Health (MDCH) processes 39 million claims and encounters annually for Medicaid and other health care programs, which it administers. Encounters account for 10.5 million claims, Pharmacy for 15.5 million claims, and Fee-for-Service process 13 Million claims. Of the 13 Million fee-for-Service claims, 2.15 million are submitted on paper. Paper claims are broken down into the following four categories:

Category 1 - Claims submitted on a UB-92, HCFA 1500, ADA 1999 version 2000 or HCFA 1450 forms with no attachments

Category 2 - Claims submitted on UB-92 HCFA 1500, ADA 1999 version 2000 or HCFA 1450 forms with COB (Coordination of Benefits) attachments

Category 3 - Claims submitted on a UB-92, HCFA 1500, ADA 1999 version 2000 or HCFA 1450 forms with attachments required by Michigan Medicaid policy. This category of claims will continue to be submitted to Michigan Medicaid on paper and therefore are not part of this RFP.

Category 4 - Personal care services billing constitutes a paper process for authenticating reimbursed services.

MDCH wishes to reduce the volume of its paper processing. In order to achieve this goal, MDCH will select Contractors to receive paper claims and convert them to the HIPAA compliant electronic format for claims submission to MDCH; provide a transition period and process for providers currently submitting paper claims to file electronic claims to Michigan Medicaid claims processing system (MMIS); and offer a telephone and web based e-applications, which will allow providers to electronically enter transaction data for medical claims to Medicaid and other health care programs administered by MDCH. All activities, systems and processes performed under this RFP must adhere to the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Contractors should propose innovative ways to improve this process and achieve cost savings for MDCH. In addition, Michigan Department of Community Health desires Contractors to suggest improvements and possible process changes that would reduce the amount of paper that must be processed by providers for billing purposes.

The Department of Community Health wants to select a limited number of Contractors to process Professional, Dental and Institutional claims, and may select multiple Contractors for each claim type. A Contractor may bid on one or more claim types. The contract period is April 1, 2004 through September 30, 2005. However, the state reserves the right to extend the contract for up to two additional years. Off shore contracting is strictly prohibited.

II-B OBJECTIVES

The overall objective of this project is to alleviate the number of paper claims submitted to MDCH for processing. In order to attain the desired result, the following specific Contractor objectives must be met:

- Receive paper claims for Medicaid Professional, Dental and Institutional claims, edit the claims, then generate and submit HIPAA compliant 837 claims to Michigan Medicaid MMIS.



- Provide a web-based system, which will allow current paper-submitting providers to enter claims directly into the Contractor's system for editing and subsequent submission to Medicaid MMIS or to Medicaid Health Plans' automated claims processing system.
- Receive and process output transactions from Michigan Medicaid MMIS and communicate the results to the providers via electronic remittance advice.
- Provide a plan for converting paper submitting providers to electronic submitters.
- Provide measures to authenticate the information collected for various programs accurately reflect the services that were rendered.
- Provide a plan for transition current paper intensive programs to non-paper process.

Other Medicaid HIPAA transactions (i.e. 278 Prior Authorization and 834 Enrollment Cancellation) and claims for providers currently submitting electronic claims to Michigan Medicaid are not part of this RFP.

Any Contractor wishing to submit a bid must show that they comply with the following requirements:

1. The Contractor must be incorporated in the State of Michigan or authorized to conduct business in the state and must also operate from an office within the State of Michigan in order to effectively fulfill the requirements of this contract. The office will maintain at a minimum, financial records, electronic and paper applications, documentation, resources, management information systems and data, and staff to manage the project.
2. The Contractor must furnish and supply its office(s) at the Contractor's expense (including telephones, paper supplies, postage machines, furniture, and other necessary items for the work force).
3. The Contractor will develop detailed procedures for the security and safeguarding of documents and files including the loss, misuse, or dissemination of confidential information to unauthorized personnel.
4. The Contractor is responsible for full compliance with all provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
5. The Contractor is currently an approved electronic submitter, either directly or through providers using their product, submitting ANSI X12 837 4010A1 claims.
6. The Contractor must have a software development and maintenance program in place to ensure that its software remains current with future versions of HIPAA transaction standards as they are mandated.
7. The MDCH edit files are intended for the Contractor's use in editing Medicaid transactions for providers for which the Contractor is providing claims processing services. The files must not be used for any other purposes or made available to other third party organizations.
8. MDCH will conduct a site visit to the Contractor's site to review the Contractor's business and operational compliance within 60 days of signing the agreement.



The Contractor will also meet the following minimal service level requirements:

1. All provider claims will be processed and submitted to Michigan MMIS for processing within 30 days of receipt from the providers.
2. All electronic claims submitted to MDCH will have a rejection rate of less than 2% due to pre-editable conditions.
3. Project reports will be developed and provided to MDCH on the scheduled basis outlined in the Section II-D-Project Reports.

II-C TASKS

The following is a preliminary analysis of the major tasks and responsibilities involved in developing the end product of this project. The Contractor is not, however, constrained from supplementing this listing with additional steps, sub tasks, or elements deemed necessary to permit the development of alternative approaches or the application of proprietary analytical techniques. Off shore contracting is strictly prohibited under this agreement.

1. Start-up Activities

There will be a 60-day start-up period after the Contract award and project start. During that time, the Contractor will:

- A. Establish facility operations, procedures, etc. and review the operations with MDCH staff.
- B. Incorporate MDCH file edits into the Contractor software for editing of provider claims.
- C. Modify software to gap-fill 837 transactions from paper claims.
- D. Participate in MDCH B-2-B testing for MDCH E-Biller certification for each claim type and provider type combination.
- E. Finalize Providers to be serviced by the Contractor with MDCH.

All start-up costs are the responsibility of the Contractor and may not be passed on to MDCH or Providers.

2. Receive and Process Category 1 Paper Claims (Claims with no COB attachments)

The objectives of this section related to paper claims processing are to ensure that:

- A. Paper claims are processed within 30 days from receipt.
- B. Paper claims are accurately converted to electronic format.
- C. Paper claims for all provider types can be processed.
- D. Paper claims for all health care programs can be processed.
- E. Rates of electronic submission of Medicaid claims will be increased.

For the Contractors to be successful they will need to implement a process and a system for:

- Receiving provider paper claims by fax or mail. All claims must be logged and tracked for audit and control purposes.



- Upon the receipt of the claim, the Contractor(s) will need to preserve an image of the original claim for record retention requirements as well as for retrieval for quality assurance and provider complaint resolution. The image must be indexed for easy retrieval. MDCH will provide specifications for the index file.
- The Contractors must provide an accurate and complete conversion of data elements from the paper form to an input format, on an electronic claims platform. The electronic system must validate the claim against baseline edits outlined in Appendix A.
- When the information on the paper claim is incomplete or inaccurate a process must be developed to return the claim to the provider with an indication of item(s) that are incorrect or missing.
- The electronic system must generate an ANSI X12 837 4010A1 claim for submission to the State of Michigan Data Exchange Gateway (DEG). It is anticipated that the Contractor will submit claims daily. The creation of the 837 claims will require the vendor to gap-fill required elements that are not available on the paper claims. Instructions for gap filling are provided as an Appendix to this RFP.
- The electronic system must be able to receive an electronic response on the claim from the Medicaid MMIS system. The response transactions would include a 997 Functional Acknowledgement, a 277 – Unsolicited Response and an 835 – Remittance Advice.
- The Contractor must transmit a copy of the imaged claims to the Michigan Department of Community Health on a bi-weekly basis. The technical specifications and processes for this transmission will be developed in conjunction with the Contractor and MDCH.
- The Contractor must have procedures in place for the security and safeguarding of documents and files including the loss, misuse, or dissemination of confidential information to unauthorized personnel.
- The Contractor is responsible for full compliance with all provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

The maximum time the Contractors have to complete this process is 30 days from receipt of the claim.

3. Receive and Process Category 2 Paper Claims (Claims with COB attachments)

The objectives of this section related to paper claims processing are to ensure that:

- A. Paper COB claims are processed within 30 days of receipt.
- B. Paper COB claims are accurately converted to electronic format.
- C. Paper COB claims for all provider types can be processed.
- D. Paper claims for all health care programs can be processed.
- E. To increase the rates of electronic submission of Medicaid Claims

For the Contractor(s) to be successful they will need to put into place a process and a system for:

- Receiving provider paper claims by fax or mail. All claims must be logged and tracked for audit and control purposes.
- Upon the receipt of the claim the Contractors will need to preserve an image of the original claim for record retention requirements as well as for retrieval of quality assurance and provider complaint resolution. The attachments for the claim must also be imaged. The image must be indexed for easy retrieval. MDCH will provide specifications for the index file



- The Contractors must provide an accurate and complete conversion of data elements from the paper form to an input format, on an electronic claims platform. The electronic system must validate the claim against baseline edits outlined in Appendix A.
- When the information on the paper claim is incomplete or inaccurate a process must be developed to return the claim to the provider with an indication of the item(s) that are incorrect or missing.
- The Contractor staff will need to review Remittance Advices attached to the Claim, determine the appropriate Medicaid payment amount, and create valid COB loops for the 837 claims.
- The electronic system must generate an ANSI X12 837 4010A1 claim for submission to the State of Michigan Data Exchange Gateway (DEG). It is anticipated that the Contractor will submit claims daily. The creation of the 837 claims will require the vendor to gap-fill required elements that are not available on the paper claims. Instructions for gap filling are provided as attachments to this RFP.
- The electronic system must be able to receive an electronic response on the claim from the Medicaid MMIS system. The response transactions would include a 997 Functional Acknowledgement, a 277 – Unsolicited Response, and an 835 – Remittance Advice.
- The Contractor must transmit a copy of the imaged claims to the Michigan Department of Community Health on a bi-weekly basis. The technical specifications and processes for the bi-weekly image transmissions will be developed, by the Contractor and MDCH.
- The Contractor must have procedures in place for the security and safeguarding of documents and files including the loss, misuse, or dissemination of confidential information to unauthorized personnel.
- The Contractor is responsible for full compliance with all provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

The maximum time the Contractors have to complete this process is 30 days from receipt of the claim.

3. Provide a Web-based System for Provider Entry of Claims

The Contractor must provide an on-line system for providers to directly enter claims information. The specific requirements of the system include:

- System should be internet based. The provider should not have to purchase, install, or maintain software.
- User interface should be easy to learn and understand. It should only require a browser application to operate.
- System must be thoroughly tested for claims related transactions (837,835,276,277) using either Claredi or Foresight testing/certification process.
- System must be able to receive a functional acknowledgement (997) and remittance information (835) and post that information in a way that is useful to the provider.
- System must be able to support all provider types (Professional, Dental and Institutional)
- System must pass MDCH's test for E-Biller certification. Certification may be completed during start-up activities.



- System must incorporate MDCH Medicaid edits and perform an edit analysis of files before submission to MDCH. Appendix A provides a list of baseline edits. Edit capabilities may be developed during Start-up activities.
- System should allow the provider to submit a valid ANSI X12 837 4010A1 – even if the provider's system cannot create that transaction.
- System must accommodate the online entry of COB data.
- System must be able to transmit ANSI X12 837 4010A1 to the data exchange gateway (DEG) in compliance with MDCH instructions for Electronic submission (see Appendix B)
- System must meet all the HIPAA rules for data security and privacy.

5. Plan for conversion of paper billers to electronic submission

The Contractor must provide a transition period and process for providers currently submitting paper claims to file electronic claims to Michigan Medicaid claims processing system (MMIS). The specific Contractor objectives related to this section are:

- A. Develop an organized effort to educate providers on electronic billing.
- B. Work with the Department to remove barriers of electronic billing.
- C. Increase the overall MDCH percentage of electronic claims processing.

A key objective of the project is to convert current paper-submitting providers to electronic submission of claims. The Department is prepared to pay the Contractor a one-time fee for converting existing paper billing providers into electronic billers. A Business Partner agreement between the Provider and Contractor must be provided as proof of conversion.

A significant element of the proposal evaluation will be the Contractor's approach and cost in converting paper submitters.

6. Data Transfer

The following section depicts the main categories of data transfers that must be in place to implement this contract. All electronic file exchanges will be conducted utilizing the State of Michigan Data Exchange Gateway (DEG).

A. Data Transfers from the State to the Contractor

- The State will send electronic files daily that contain data for new eligible recipients or changes in demographics such as change of address, county of residence, eligibility etc. (file layout are attached). A complete audit file will be sent monthly.

B. Contractor Data Transfers to the State

- Daily claims data transfers will be submitted to MDCH using the current version of the HIPAA mandated transaction sets (currently 837 4010A1)
- Data must be encrypted per HIPAA guidelines, if FTP transmission technology is used.
- A copy of imaged claims must be submitted to MDCH on a biweekly basis.



7. Tasks and Responsibilities Assigned to The Michigan Department of Community Health

The following is an analysis of the major tasks and responsibilities assigned to MDCH in developing the end product of this project.

- A. Conduct readiness review of the Contractor.
- B. Provide initial and ongoing training to the Contractor.
- C. Notify the Contractor of policy, program, and process changes affecting the Contractor's scope of work.
- D. Review and approve all written and visual materials used by the Contractor related to this contract.
- E. Provide state requirements for forms and publications.
- F. Review and approve Contractor's policies, procedures, employee manuals, external and internal communications and training materials used to fulfill the requirements of the contract.
- G. Provide input to the Contractor during the design of the Contractor's information system.
- H. Approve the Contractor's processes and procedures prior to implementation and any subsequent changes prior to their implementation.
- I. Work with the Contractor during the implementation planning period and on an ongoing basis during operations to develop and maintain data in an agreed format.
- J. Provide business-to-business testing of Contractors' claims and grant certification upon successful completion. This must be completed during or prior to the start-up phase.
- K. Review reports and logs submitted by Contractor.
- L. Monitor compliance with contract requirements.
- M. Conduct unscheduled site visits for performance auditing purposes.
- N. Monitor claim submission and acceptance rates.
- O. Monitor claim volume.
- P. Meet with the Contractor on a monthly basis, at a minimum, to review status and to discuss any other concerns of the project.
- Q. Monitor the Contractor to ensure adequate levels of service are met.
- R. Facilitate open communication and prompt resolution of problems between the Contractor, the State, and the providers.
- S. Apply remedies as necessary to assure compliance with contract requirements.
- T. Collaborate with the Contractor to improve services

II-D PROJECT CONTROL AND REPORTS

I. Project Control

- a. The Contractor will carry out this project under the direction and control of the Michigan Department of Community Health.
- b. Although there will be continuous liaison with the Contractor team, the client agency's project director will meet monthly as a minimum, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.



- c. The Contractor will submit brief written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the client agency's project director; and notification of any significant deviation from previously agreed-upon work plans. A copy of this report will be forwarded to the named buyer in Acquisition Services.
- d. Within five (5) working days of the award of the Contract, the Contractor will submit to the MDCH project director for final approval a work plan. This final implementation plan must be in agreement with section IV-C subsection 2 as proposed by the bidder and accepted by the State for Contract, and must include the following:
 - (1) The Contractor's project organizational structure.
 - (2) The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - (3) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
 - (4) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.

2. Reports

Reports will include a narrative to explain trends in claims activity, problems experienced in the period, recommendations to the State for policy and/or procedural changes, and any comments the Contractor may have. Also the following standardized summary reports, broken down by provider type will be provided weekly:

- Daily claims received
- Daily Outbound Claims
- Days work on hand
- Return rates of claims to providers

II-E PRICE PROPOSAL

All prices/rates quoted in bidder's response will be firm for the duration of the Contract ending September 30, 2005, unless modified to the State's benefit by the mutual agreement of the parties to the contract. However, the State or the Contractor may propose adjustments for any contract extension. Any price adjustments proposed by the Contractor must be submitted in writing to the State Purchasing Director at least 120 days prior to the proposed extension and be no greater than the Detroit CPI. Price adjustments proposed by the State will be submitted to the Contractor in writing at least 120 days prior to the proposed extension. Any changes requested by either party are subject to negotiation and written acceptance by the State Purchasing Director before becoming effective. In the event the State and the Contractor cannot agree to prices at least 30 days prior to contract extension, the contract will be canceled pursuant to Section I-U, above.



1. Reimbursement:

MDCH will reimburse the Contractor in accordance with the price indicated in the Contract. Payments will be made on a monthly basis. All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Compliance Inspector and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing, Department of Management & Budget. This activity will occur only upon the specific written direction from the Acquisition Services. All payments will be based upon satisfactory performance of the Contractor. If the Contractor fails to perform satisfactorily, MDCH may withhold payments or may impose any of the remedies specified below.

2. Remedies for Failure to Perform:

It is agreed by the State and the Contractor that, in the event the Contractor fails to meet the performance requirements listed in this Contract and remedies are required by the State, the State shall impose remedies according to the following schedule:

A. Start Date

If, for any reason, the Contractor does not fully meet the operational start date, as indicated in Section 1 and a contract modification or amendment delaying this key date or a portion of the processing requirement has not been approved, the Contractor shall be assessed an amount equal to 1% of the total annual contract amount for each work day that the operational start date is delayed.

B. Lost Files

The Contractor has the responsibility to maintain all files and applications in a safe and intact condition. To ensure that files/applications are not lost or destroyed, the Contractor will provide to MDCH a monthly list of any/all files lost or destroyed during that month. The potential fine for lost files is \$1,000.00 per incident.

C. Misuse of MDCH provided files

Any secondary distribution of MDCH files or the improper disclosure of eligibility information to third party organizations will result in a fine of \$100,000 per incident. Use of MDCH provided files for services other than those covered under this contract will result in a fine of \$50,000 per incident.

D. Standard of Promptness

The Contractor is responsible to meet the standard of promptness guidelines for application processing listed in Section II-C.2. If performance falls below the indicated level and is not corrected within 30 days the Contractor will:

5. Not be paid for rejected claims exceeding 2% for any month
6. Not be paid for claims exceeding thirty days in the processing queue
7. Have a provider, provider type, or claim type reassigned to another Contractor for processing
8. Be assessed \$1,000.00 fine per provider that is reassigned for non-performance.

**SECTION III****CONTRACTORS PROPOSAL****III-A BUSINESS ORGANIZATION**

The response to this ITB from Netwerkes.com, LLC is presented below in the same sequence contained in Section IV "Requirements of the ITB".

This Section IV-A contains description of the contractor organization, Netwerkes.com, LLC and information pertaining to each of our subcontractors.

A.1. Netwerkes.com Michigan Offices and Headquarters:

Philip C. Liethen, Ph.D. Vice President Netwerkes.com
P.O. Box 596081
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Telephone Number: 810-385-1181
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Netwerkes.com Operations Center

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Email: klotz@netwerkes.com
Fax: 262-695-3394

Netwerkes.com Corporate Headquarters

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Email: william.mclaughlin@netwerkes.com
Fax: 920-830-8589

TERMS AND CONDITIONS**CONTRACT #071B4200228**

Netwerkes.com specializes in Internet based services for healthcare related information systems and transmission needs. Netwerkes.com is incorporated in the State of Wisconsin and is privately and wholly-owned by the Chief Executive Officer (CEO), Chief Technical Officer (CTO), and Chief Operational Officer (COO). Netwerkes.com has a Certificate of Authority to Transact Business in the State of Michigan.

Netwerkes.com, hereby confirms that it does not have any litigation disclosures or other required disclosures as indicated in Section I-RR "Disclosure of Litigation". Written confirmation from each sub-contractor has been obtained to certify that they do not have any disclosure requirements. (See Appendix 2). It also confirmed that Netwerkes.com, LLC shall notify the State, if applicable, promptly after the contract is awarded, of any litigation disclosures required of the contractor and subcontractors under this Section of the ITB.

A. 2. Subcontractors**1. Lason, Inc.**

SUBCONTRACTOR 1	Lason Systems Inc. 1305 Stephenson Highway Troy, MI 48084
CONTACT PERSON	Mark Clinton President Data Capture Services Telephone Number: 248-824-2102 Email: mclinton@lason.com Fax: 248-526-1855
DESCRIPTION OF WORK SUBCONTRACTED	Receipt, sorting, and indexing of paper claims and attachments, and scanning/imaging and double-key entry of claim data to EDI format.
ORGANIZATION & ABILITIES	LASON INC is a Delaware corporation licensed to operate in the State of Michigan. Lason is headquartered in Troy, Michigan, and data capture and mailroom operations will be performed at a Lason owned branched facility located in El Paso, TX. Lason will not require the use of any other subcontractors in performing the services described.

2. Winslow Technology Inc.

Contact Information	Mr. Jeffrey Wiehl Winslow Technology Inc. 2501 Jolly Road Suite 180 Okemos, MI 48864 Telephone (517) 324-8325 Facsimile: (517) 324-7370 jWiehl@winslowtechnology.com
Tasks to be Subcontracted	Provider education, training, outreach, and customer service.
Qualifications	Winslow Technology Inc.(WTI) is a private, for-profit



	<p>Michigan "C" corporation established in 2001 as a wholly-owned subsidiary of the Michigan Public Health Institute (MPHI) to provide solutions through the leveraging of technology to improve the productivity and quality of work done. Winslow Technology became operational beginning October 2003 with the transfer of the existing HIPAA Implementation Project.</p> <p>MPHI/WTI has developed several Internet-based courses specifically for Medicaid providers in cooperation with its key business partners, providing the content and objectives of the materials. With courses aimed at helping Medicaid providers understand Medicaid rules and correctly complete Medicaid claims both paper and electronic. The implications of the HIPAA laws and what they need to do to become compliant, as well as the advantages of electronic commerce with healthcare payers.</p> <p>For Michigan Department of Community Health's HIPAA Transactions program and Uniform Billing Project, MPHI has subcontracted with Fahrenheit Creative Group to create and implement strategic communication plans. Tasks included providing additional management staff, creative concepts, graphic design, web design, print production and multi media production of provider education and training materials, plus consultation to both projects' Communication and Training Committees. Fahrenheit also conducted and facilitated outreach education to Michigan's medical professional community through provider associations.</p>
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NETWORKES.COM, LLC ASSUMES TOTAL RESPONSIBILITY FOR ADHERENCE BY THE SUBCONTRACTORS TO ALL PROVISIONS OF THE CONTRACT AS REQUIRED IN SECTION I-F OF THE ITB.



III-B STATEMENT OF PROBLEM

Conveying information via paper forms is inefficient and expensive to all involved, both to MDCH which must receive the claims, and Medicaid service providers who produce them. Paper is literally cumbersome to handle, and the information from them must be redundantly extracted and re-entered into receiving systems for processing; this laborious and time-consuming process detracts from MDCH's goal of providing for Medicaid services as the expense and inefficiency consumes resources which could be utilized otherwise, and the slowness/inefficiency of the billing processes discourages providers from providing Medicaid services, which in turn limits Medicaid service availability to Medicaid recipients. While HIPAA has infused some initiative toward Electronic Data Interchange (EDI) billing it makes no provision for the elimination of paper claims, and as long as there are paper claims, the Medicaid system will be burdened accordingly. The overall goal of this ITB is to maximize EDI volume and thereby reduce paper claims submission which necessarily involves the conversion of providers submitting paper to transmitting claims electronically ("EDI"). Netwerkes.com will offer a complete solution to paper claims where that complete solution involves two aspects:

1. Paper conversion, involving the receipt and conversion of paper claims-data into ANSI 837 4010A1 format, and
2. Provider conversion, involving the conversion of those providers submitting paper claims to EDI.

Netwerkes.com understands that a major objective of this project is to significantly reduce the number of paper claims submitted to MDCH for processing. Netwerkes.com has a "total solution" to manage EDI and paper claims and the providers who submit them. Netwerkes.com can:

1. Receive paper claims for Medicaid Professional, Dental and Institutional claims, validate those claims against Medicaid rules and eligibility database, and then create and submit a HIPAA compliant 837 to Michigan Medicaid MMIS.
2. Provide a web-based system, which will allow current paper-submitting providers to enter claims directly into the Netwerkes.com website either by "screen entry" (of single claims) or by file upload of several file types covering numerous common practice management systems. This system immediately validates the claim data against the Medicaid rules and eligibility database which allows the immediate editing of the claims and then can be transmitted to Medicaid MMIS or to the Medicaid HMO's (or any other entity). Netwerkes.com's web-based system requires only that the providers have a personal computer and Internet access. No special hardware or software is required.
3. Receive and process output transactions from Michigan Medicaid MMIS and communicate the results back to the providers via electronic remittance advice viewable or downloadable from the Netwerkes.com web-based portal.
4. Provide a plan for converting paper submitting providers to electronic submissions, based on previous experience in doing this for Michigan Medicaid providers. Netwerkes.com already has specific experience with a provider-conversion plan with one of the Medicaid HMO's (Community Care Plan) and is currently active in working with several other Medicaid HMO's to convert providers from paper to EDI submission.
5. Netwerkes.com additionally offers to continue receiving EDI claims and transmitting them to Michigan Medicaid, as it has since beginning production in the context of the HIPAA Readiness project with MPHI, and which will continue to feature a lower rejection rate. This is due to the capability of Netwerkes.com's "front-end" pre-transmission validation prompting providers to correct deficiencies prior to transmission to MDCH.



This ITB is specifically directed at “Category 1” claims no attachments (including those submitted on a UB-92, HCFA 1500, ADA 1999 version 2000 or HCFA 1450 forms) and “Category 2” claims with Coordination of Benefits (COB) attachments (those submitted on UB-92 HCFA 1500, ADA 1999 version 2000 or HCFA 1450 forms).

Although this ITB is not immediately directed toward “Category 3” claims with attachments required by Michigan Medicaid policy such as medical reports or other supporting documentation (including those submitted on a UB-92, HCFA 1500, ADA 1999 version 2000 or HCFA 1450 forms), Netwerkes.com’s total solution has that option available as an integral part of its overall product services.

Netwerkes.com is not proposing a solution for Category 4 claims / information.



III-C MANAGEMENT SUMMARY

C.1. NARRATIVE

The Michigan Department of Community Health is determined to drive the cost out of Medicaid paper claims processing. The most important component of the project is the conversion of paper claims submitters to electronic claims formats. This will be accomplished by establishing a process to systematically assist paper billers' conversion to HIPAA compliant electronic formats.

This effort will begin April 2004 and will save the Department millions of dollars. Michigan Medicaid reports that there are 2.15 million fee-for-service claims submitted annually on paper. Preliminary analysis of 2003 claims data suggest that paper claims volume could reach a staggering 3.37 million by the end of the year. According to the Centers for Medicare and Medicaid, the average cost to service a paper claim is \$27. If accurate, the cost to process paper claims for Michigan Medicaid could be as high as \$58 to \$90 million. While the exact costs haven't been calculated, the potential for savings is clearly enormous.

Conversion will also greatly benefit Medicaid providers. Electronic billing reduces administrative cost. Data entry errors are reduced on the front end of the claim submission process meaning more claims will be submitted clean the first time. That, in turn, leads to quicker payment. It also means fewer re-bills will be necessary and if there are re-bills they can be processed quickly. Communication between provider and payer is faster and clearer, and remittance posting is easier.

While the benefits of eliminating paper based transactions are numerous and significant for both providers and MDCH, the barriers to providers to convert to electronic claims are not trivial. An examination of the projected (annualized) paper claims volume for 2003 (table C.1.1-1) provides some indications of the challenges that must be overcome in order to eliminate the bulk of paper claims.

<i>Annualized Paper Claims</i>					
	<i>Claims Volume</i>	<i>Providers</i>	<i>Total Claims</i>	<i>Provider %</i>	<i>Claims %</i>
Heavy	> 5,000	27	274,984	0.1%	8.1%
	1000 to 5000	427	802,513	1.4%	23.8%
Moderate	500 to 999	760	519,777	2.5%	15.4%
	51 to 499	9,754	1,499,232	32.4%	44.4%
Light	1 to 50	19,158	281,156	63.6%	8.3%
		30,126	3,377,662		

There are relatively few heavy volume paper claim (over 5,000/year) submitters though they account for a small but significant portion of total volume. We expect to find that there are substantial barriers (size of organization, low priority, technical challenges) preventing a number of these 27 providers from converting to electronic claims. In order to have success in converting this group, the team must have the ability to help the providers identify those barriers and work with them to create viable solutions.

While the light volume (fewer than 51 claims/year) typifies the majority of the providers (63.6%), they account for only 8.3% of total paper claims volume. While the technical challenges may be substantially fewer for this group, the sheer number of providers (19,158) that submit at least a few claims is daunting.



Clearly, the bulk of the effort will need to be placed in the “moderate” group. Fully 83% of all paper claims come from providers that send from 51 to 999 paper claims/year. The nearly 11,000 providers represent 36.6% of the provider population. This is a large but highly approachable task.

In order to be successful at completing the project two things are essential:

1. An exceptional solution (electronic claims entry system), and
2. The right team to market the solution to, and support the tens of thousands of providers targeted for conversion

The Netwerkes.com team is uniquely qualified to help MDCH accomplish this conversion. MDCH will find no better partner and advocate for the rapid implementation of EDI solutions than Netwerkes.com because healthcare EDI is the heart of their business. The results of our pilot projects over the past two years clearly show that our web based claims system is best-of-breed and the more than 2,000 unique Tax IDs (constituting many more actual Michigan Medicaid providers) using it are very pleased with the way the system has dramatically improved the way their Medicaid claims are paid. Netwerkes.com has the capacity in place, today, to electronically process the entire volume of 3.3 million paper claims that MDCH expects to process in 2003.

What is needed is a systematic and concerted program to convert 11,000 paper submitters to the Netwerkes.com solution and to encourage the bulk of the remaining 19,000 providers to utilize a simple web based direct data entry (DDE) claims solution.

Netwerkes.com has teamed with Winslow Technology, Inc. to provide MDCH with the best team for organizing and implementing this conversion process. Through the MDCH HIPAA Transactions project, the MPHI\Winslow Team developed extensive experience conducting outreach and training activities for Michigan’s Medicaid provider community to facilitate their adoption of industry standard, HIPAA compliant, electronic transactions.

To be successful in converting Medicaid providers to electronic claims submission, it is essential that the conversion team:

1. Has a thorough understanding MDCH’s claims processing business.
2. Is experienced in identifying and addressing barriers to providers’ adoption of new billing methods.
3. Has experience in implementing web-based solutions with the Michigan Medicaid provider community.
4. Has experience working collaboratively with MDCH to leverage technology to improve business processes to create efficiencies in the claims processing system.

The MPHI\Winslow team meets all of these criteria. Working with MDCH on the Uniform Billing and HIPAA conversion projects during the past three years, the team has developed an in-depth understanding of MDCH policies, procedures, and claims processing systems. The team played key roles in the design and implementation of the new online Medicaid provider training partner agreement (TPA), the roll out of the mi-health card, as well as the development and support of the www.mihealth.org online resource for Medicaid providers.

Strategic Outreach Plan

Our Strategic Outreach Plan is to develop an organized effort to educate, train and convert providers that currently bill Medicaid on paper claim formats into electronic submitters. Ultimately, we will convert providers to one of our two electronic billing options:

1. Netwerkes.com web based e-billing solution
2. Direct Data Entry (DDE) service via brand-naming the MDCH web site

One of the keys to the success of this initiative will be the outreach effort. The faster the conversion process, the more money the MDCH saves. The goal of our strategic outreach plan is to convert paper claim submitters to electronic submitters as efficiently as possible. This plan includes provider education to remove any pre-existing barriers to electronic billing. It also fully explains the benefits of electronic billing in the overall context of electronic transactions, electronic data interchange (EDI), and electronic fund transfer (EFT). Our plan also includes training. The training module will bring each provider quickly up-to-speed and into electronic production as smoothly and painlessly as possible.

To quickly, effectively and efficiently convert paper billers to electronic submitters, we have developed the following targeted strategy:

1. Identify and target user groups by paper claims volume and provider type
2. Target error prone paper submitters
3. Leverage provider organization relationships

Strategy #1--Identify and target user groups by claims volume and provider typeHeavy Volume Paper Claims Submitters

Our heavy user target group submits paper claims by the hundreds of thousands and although they submit a lot of claims, they represent only 27 providers. Each of these 27 providers submit more than 5,000 paper claims annually. We have identified them by provider ID and by provider type. Our goal is to meet face-to-face with them. These providers will be targeted, contacted and converted one at a time over the term of the contract.

Based on Netwerkes.com's experience in implementing electronic billing for Medicaid providers during the past two years, we anticipate that for the majority of this segment, there will be significant barriers to conversion. For instance, in very large healthcare entities, what is considered heavy volume to Michigan Medicaid may be quite low relative to their other claims operations. In the environment of rushing to comply with HIPAA transactions rules, simply getting them to pay attention and devote resources toward conversion is likely to be a challenge.

Each provider will be identified, prioritized and scheduled on a monthly basis. Our team will meet with them on a one-on-one basis to create awareness of this conversion opportunity. Each provider and their staff will be educated as to the benefits of electronic transactions and we will take the opportunity to dispel any erroneous beliefs about electronic billing.

These face-to-face meetings will be focused on breaking down any pre-existing barriers. And, as we begin to build personal relationships with these heavy volume submitters, we will be able to facilitate conversion of this critical group. We can then begin training, start testing, and provide continuous follow-up as they begin the conversion to our electronic billing system/process.

In this segment, training will be customized for each provider's unique needs as needed.



Moderate Volume Paper Claims Submitters

There are nearly 11,000 providers that fall into the moderate user category: providers that submit from 51 to 4,999 paper claims annually. The tactics to reach this group will be expanded beyond personal selling because of the large number of providers that are represented. Within the moderate user category, providers will be targeted for marketing efforts based primarily on paper claims volume (during previous month, and using historical claims data). Providers that fall into the moderate user category will be mailed our comprehensive information packets as they are targeted. Telephone follow up will occur within weeks after receiving information packets. More general marketing efforts will reach others in the moderate user group using mass mailings, e-mail, list serve e-mail, contact from their association, and indirect contact from us through their association.

Our team will be able to gather large groups of providers and their billers through their association's annual meetings or special conferences. With some of the larger associations we will be able to meet with regional groups. These meetings will provide us a cost effective forum to present our program and both of our electronic solutions to their paper problem. We will use this opportunity to set up face-to-face-meetings and convert them to electronic billing.

Training will soon follow the signed agreement and account set up. The training process for this group will include the media format of their choice: DVD; CD Rom; VHS; or web based. Each user will receive a binder that includes the manual and contact information.

We expect that converting 11,000 providers will take a minimum of 6 customer service representatives approximately two years to accomplish. It is well within the Winslow team's capacity to put together a program that will reach or exceed these goals.

Low Volume Paper Claims Submitters

Low volume submitters (fewer than 49 claims per year) represent the largest number of providers (over 19,000) so it would be impractical to meet with, each one of them face to face or even to telephone them all. In fact, they represent nearly 64% of all paper claim submitters. However, the annual volume on a provider-by-provider basis is very low. As a group, they only submit 281,000 paper claims annually.

The tactics to reach this group include mail and e-mail, although we may be able to contact some indirectly through their association. The effort to convert to the Netwerkes.com solution may not be warranted because of their low Medicaid claims volume. However, these providers are ideal candidates to use the Direct Data Entry (DDE) solution on the MDCH web site. Because the DDE solution will be relatively less complex (fewer features), end user training requirements are expected to be relatively straightforward. DDE system users will be able to electronically request a multimedia training resource (in the media format of their choice: DVD; CD Rom; VHS; or access a web based version of the training).

Strategy #2-Target Error Prone Paper Submitters

This opportunity will reveal itself on monthly error reports. Every month, providers submit significant numbers of paper claims containing errors. Error paper claims must be resubmitted, at a great cost in time and effort. As the Netwerkes.com team encounters errors in the paper claims that they process, the claims will be returned to the submitter and a letter urging them to consider electronic billing as a strategy to avoid future errors. Netwerkes.com will forward a claim submission error report to the Winslow customer service team on a monthly basis.

These providers will be especially targeted for marketing efforts because we expect their motivation for conversion to be very high.



The marketing efforts for this group will be essentially the same as listed above based on the provider's historical paper claim volume (high, moderate, or low). The training processes are essentially the same as listed above.

Strategy #3-Partner with Provider Organizations

Provider organizations hold an important key to breaking down barriers and improving communications with Michigan's Medicaid providers. Our team has a proven outreach track record with the medical/professional associations. We plan to leverage that relationship to gain an information distribution system to providers. We will also explore the opportunity to gain association endorsement for our solution to the paper problem.

Our outreach team will work with the associations to address large groups of providers to communicate with them and distribute marketing and training materials in an efficient and credible process. We will be able to gather large groups of providers and their administrative staff through their association's annual meetings or special conferences. With some of the larger associations we will be able to meet with regional groups. These meetings will provide us a cost effective forum to present our program and both of our electronic solutions to their paper problem. These meetings will also present an opportunity to set up face-to-face-meetings with select providers to convert them to electronic billing.

Training will soon follow the signed agreement. The training process for this group will include the media format of their choice: DVD; CD Rom; VHS; or web based. Each user will receive a binder that includes the manual and contact information.

Deliverables

Strategy #1- Target Groups by Paper Claim Volume Deliverables

Heavy Paper Claims Volume Providers

- Face-to-face meetings with top 27 paper claim submitters
- Power Point demonstrations of our solution to the problem
- Continuous and ongoing liaison and follow up
- Continuous communication via e-mail and/or telephone
- Multi-media education device (CD; DVD; video; web)
- List serve
- Comprehensive Information Packet (How our system works; ROI calculator; testimonials; How to sign up; brochure; e-business agreement; e-contract; authorization to designate a unique submitter; 3 sample claims)
- EDI Brochure
- EDI Power Point
- Paper Conversion Brochure
- E-newsletters
- Training manual
- Training device for each paper claim format HCFA 1500; HCFA 1450 UB-92; ADA 1999 v. 2000 COB (CD; DVD; video; web)

Moderate Volume Paper Claims Providers

- MDCH wide seminars



- Communication via e-mail and e-mail
- List serve
- Multi-media education device (CD; DVD; video; web)
- Comprehensive Information Packet (How our system works; ROI calculator; testimonials; How to sign up; brochure; e-business agreement; e-contract; authorization to designate a unique submitter; 3 sample claims)
- EDI Brochure
- EDI Power Point
- Paper Conversion Brochure
- E-newsletters
- Mihealth.org web site
- Post cards
- E-post cards
- Training flyers
- Training schedule posted on web
- Frequently asked questions
- Contact/response mechanism
- Training manual
- Training device for each paper claim format HCFA 1500; HCFA 1450 UB-92; ADA 1999 v. 2000 COB (CD; DVD; video; web)
- Three months of phone and email technical support after conversion

Low Volume Paper Claims Providers

- Communication via mail
- Communication via e-mail
- List serve
- Multi-media education device (CD; DVD; video; web)
- Comprehensive Information Packet (How our system works; ROI calculator; testimonials; How to sign up; brochure; e-business agreement; e-contract; authorization to designate a unique submitter; 3 sample claims)
- Multi-media education device (CD; DVD; video; web)
- EDI Brochure
- EDI Power Point
- Paper Conversion Brochure
- E-newsletters
- Mihealth.org web site
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- Frequently asked questions
- Contact/response mechanism
- Training manual
- Training device for each paper claim format HCFA 1500; HCFA 1450 UB-92; ADA 1999 v. 2000 COB (CD; DVD; video; web)
- Three months of phone and email technical support after conversion

Strategy #2- Error Prone Paper Submitters Deliverables



- Continuous communication via mail, e-mail and/or telephone
- List serve
- Comprehensive Information Packet (How our system works; ROI calculator; testimonials; How to sign up; brochure; e-business agreement; e-contract; authorization to designate a unique submitter; 3 sample claims)
- Multi-media education device (CD; DVD; video; web)
- EDI Brochure
- EDI Power Point
- Paper Conversion Brochure
- E-newsletters
- Mihealth.org web site
- Post cards
- E-post cards
- Training flyers
- Training schedule posted on web
- Frequently asked questions
- Contact/response mechanism
- Training manual
- Training device for each paper claim format HCFA 1500; HCFA 1450 UB-92; ADA 1999 v. 2000 COB (CD; DVD; video; web)
- Three months of phone and email technical support after conversion

**Strategy #3 Provider Organization (Association) Deliverables**

- One-on-one meetings
- Power Point demonstration of our solution to the problem
- Leave behind binder with outreach plan outline
- Meetings with Boards of directors
- Meetings with Executive level boards
- Meetings with reimbursement committees
- Annual meeting attendance
- Conference attendance
- Meetings with reimbursement committees
- Meetings with HIPAA coordinators
- Meetings with education coordination
- Meetings with training coordinators
- Continuous and ongoing liaison and follow up
- Continuous communication via e-mail and/or telephone
- Comprehensive Information Packet (How our system works; ROI calculator; testimonials; How to sign up; brochure; e-business agreement; e-contract; authorization to designate a unique submitter; 3 sample claims)
- EDI Brochure
- EDI Power Point
- Paper Conversion Brochure
- E-newsletters
- Multi-media education device (CD; DVD; video; web)
- Training manual
- Training device for each paper claim format HCFA 1500; HCFA 1450 UB-92; ADA 1999 v. 2000; COB (CD; DVD; video; web)



C.2 TECHNICAL WORK PLANS

This section presents technical plans for the project to convert paper claims submitters to electronic submission.

Netwerkes.com

Netwerkes.com will regularly provide the MDCH with project control and reporting information, just as it has been doing since 2001 for the HIPAA readiness project.

Project control will include:

1. Netwerkes.com will manage this project using the MDCH of Michigan's standard project methodology (PMM), a system which has been demonstrated to be a successful communication and integration strategy. The methodology includes documentation, references, and supporting templates, and consists of five general phases: Initiation (specifying what the project will accomplish, gains stakeholder support, & ensures feasibility), Planning (identifying scope, business requirements, tasks, schedule, quality, staffing & contractor needs). Control (on-going management of processes to ensure the actual performance meets/exceeds planned performances, and corrective control as necessary for changes required to resolve emergent issues and achieve goals), Execution (occurring simultaneously with Control, creates the product of the project, integrates development, testing, training, and documentation), and Closeout (the administrative and financial activities required to complete the project, with evaluation reporting).
2. Netwerkes.com will carry out this project under the direction and control of the Michigan Department of Community Health.
3. Netwerkes.com's project director will meet with the MDCH project manager at least monthly and also otherwise as necessary, for the purpose of reviewing progress and providing necessary guidance to Netwerkes.com for solving problems which arise.
4. Netwerkes.com will submit brief written monthly summaries of the progress of the key aspects of this project outlining the work accomplished during the reporting period, work to be accomplished during the subsequent reporting period, problems, real or anticipated, which should be brought to the attention of the client agency's project director, and notification of any significant deviation from previously agreed-upon work plans. A copy of this report will be forwarded to the named buyer in Acquisition Services.
5. Within five (5) working days of the award of the Contract, Netwerkes.com will submit to the MDCH project director for final approval of a work plan. The work plan which will be in agreement with Section IV-C subsection 2 as proposed by the bidder and accepted by the MDCH for Contract, and must include the following:



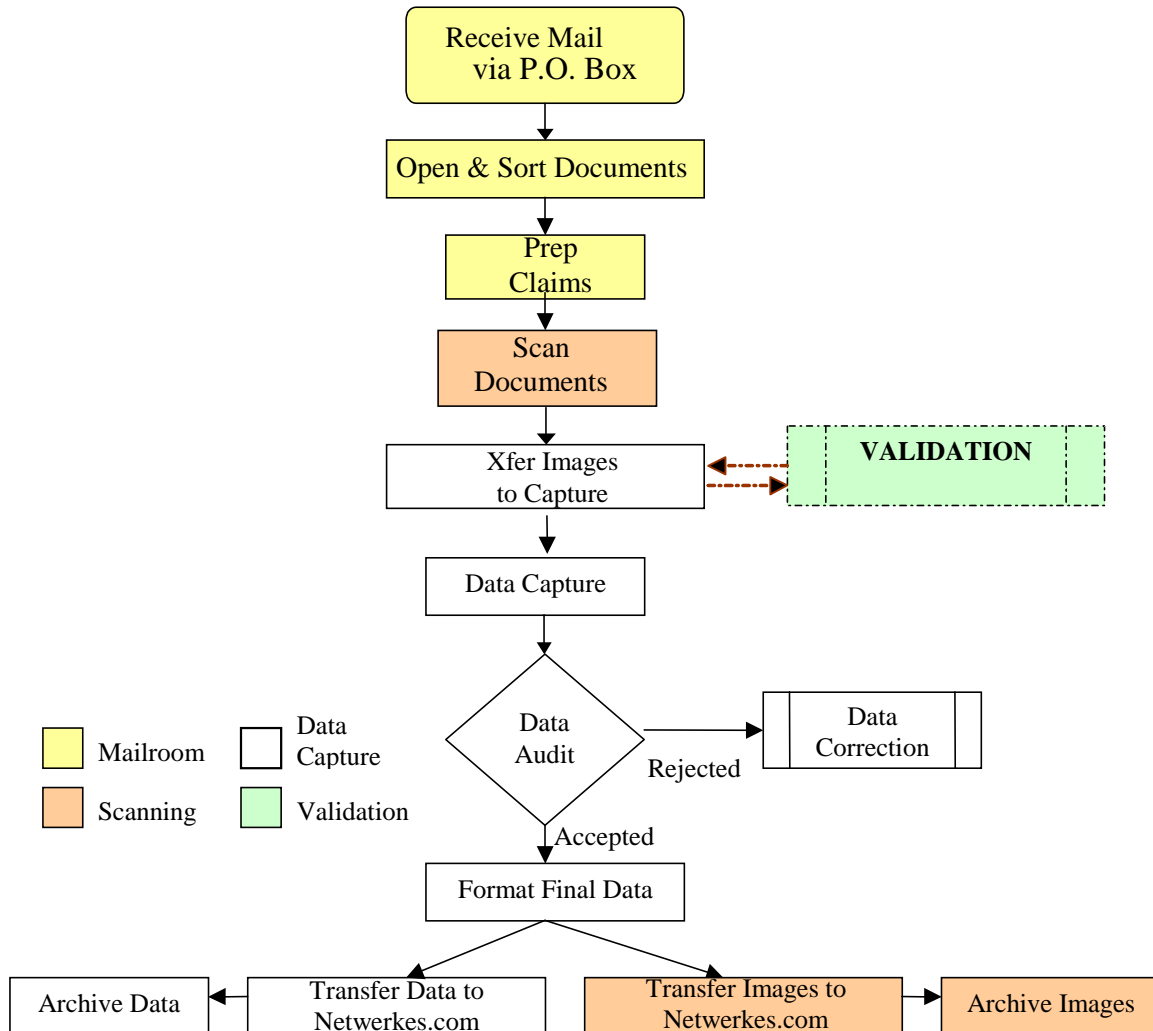
1. Netwerkes.com's project organizational structure.
2. Netwerkes.com's staffing table, including the names and title of personnel assigned to the project, consistent with the staffing outlines of the accepted proposal; and necessary substitutions due to change of employment status and other unforeseen circumstances will be made only with prior approval of the MDCH.
3. A project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
4. A time-phased plan in the form of a graphic display, showing each event, task, and decision point the accepted work plan.

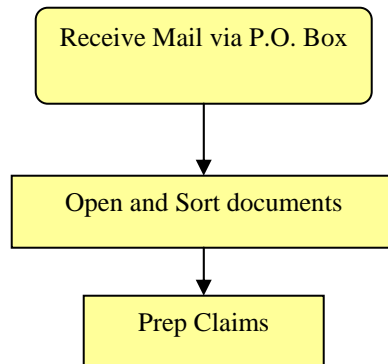
Reporting will include:

1. Project reports will be developed and provided to MDCH on the scheduled basis outlined in the Section II-D-Project Reports. Netwerkes.com has been reporting to MPHI/MDCH since 2001 the monthly status of production regarding the implementation of the Netwerkes.com system with Michigan Medicaid providers, and the HCFA, UB, and Dental claim volumes involved, for MDCH Medicaid as well as for the 12 Medicaid Health Plans involved. (see Appendix 3: Report Sample)
2. A monthly comprehensive summary narrative to explain key progress toward Contract goals, trends in claims activity, problems experienced during the reporting period, recommendations to the MDCH for policy and/or procedural changes, and any informative or advisory comments.
3. Weekly standardized summary reports including the following:
 - a. Daily claims received.
 - b. Claims received by claim type (HCFA, UB, Dental).
 - c. Claims received by Category: Contract Category 1 – Claims with no COB information and Contract Category 2 – Claims with COB information.
 - d. Daily Outbound Claims.
 - e. Number of days-work on hand.
 - f. Number of claims returned to providers, by claim type.

**Lason, Inc.**

Lason will provide Mail Room, Scanning, Data Capture and Validation services in support of the paper claim to EDI conversion process. The services are each described in detail in the following sections. Below is the overall process chart.



**Step 1 – Mail Room Processing**

Lason processes over 150 million pieces of mail per month. We are able to skillfully sort and prep the work in order that the scanning process flows smoothly. As we analyze the requirements for a particular project, some of the specific elements to be reviewed are:

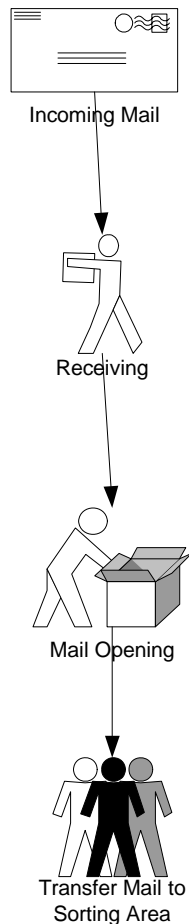
- Remove paper clips or staples.
- Repair torn or damaged pages
- Tape torn leading edges
- Reorder pages or identify key pages if required
- Perform form identification if required, and sort accordingly
- If any documents have a landscape orientation, rotating left or rotating right in order to meet the data capture and or retrieval system requirements
- Batching documents into appropriate batch sizes.
- Adding batch cover pages to the above batches
- Insert documents into color folders
- Insert bar code/patch or separator pages for multi-page documents

Lason works closely with the customers to identify those preparation tasks, which are required. Lason then builds a standard operating procedure specific to that customer/project. By following this procedure Lason can ensure consistency in the prepping process.



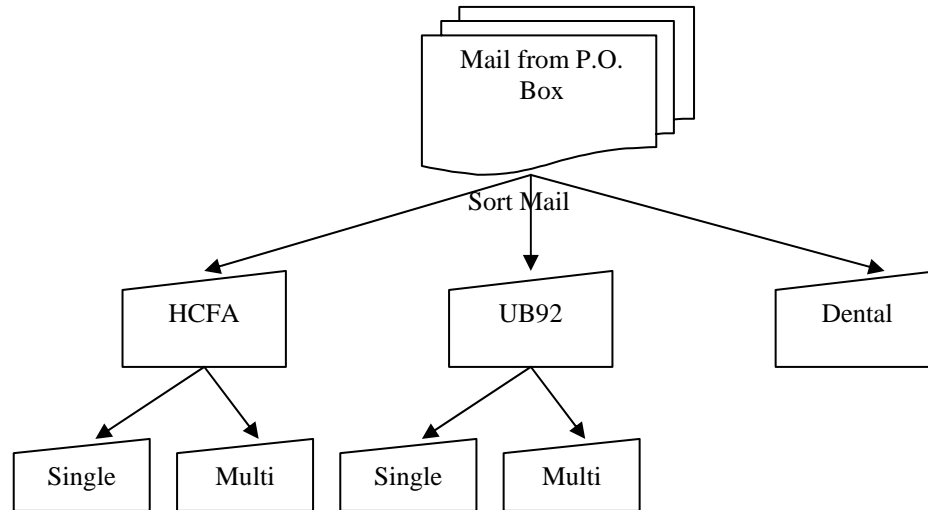
Following is the workflow process, in which each piece of mail will be identified and processed accordingly:

Incoming Mail Workflow:



The incoming mail workflow encompasses the process of mail pick-up from the US Post Office. Mail will be picked up daily from the Post Office at the earliest available time allotment on a 5-day per week cycle. The process for initial incoming mail operations is as follows:

- Pick-up mail from US Post Office
- Receive mail into the incoming mail area
- Slice open mail pieces on appropriate equipment
- Deliver opened mail to the Primary Sort area

Primary Sort Workflow:

The Primary Sort identifies form types: HCFA, UB92 and Dental. The mail contents will be removed from the envelopes and sorted accordingly. The next sort will be done based on the number of claim pages in each envelope or for each member.

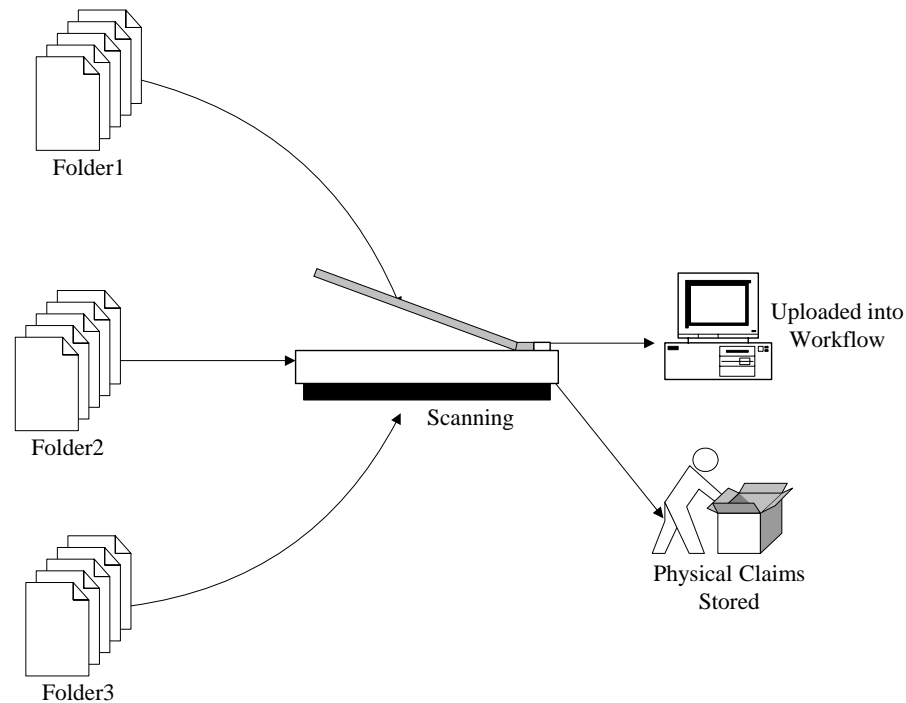
The sort operation includes identifying the following categories:

- HCFA
- HCFA with Attachment (Single and Multi Claim)
- UB92
- UB92 with Attachment (Single and Multi Claim)
- Dental

In addition to the above form type categories, the sort operation also identifies

- Color Pages
- Double Side pages
- Papers in non-standard size

During this process, the non-keyable or wrongly addressed mails will be kept separately for routing back to the MDCH of Michigan Medicaid services.

**Step 2 – Scanning**

The incoming claim workflow encompasses the process of receiving the prepped, sorted and batched claims from mailroom. All claims will be scanned the same or next day they are received. The scanned images and index are then transmitted to Lason's data conversion center. The process includes the following steps:

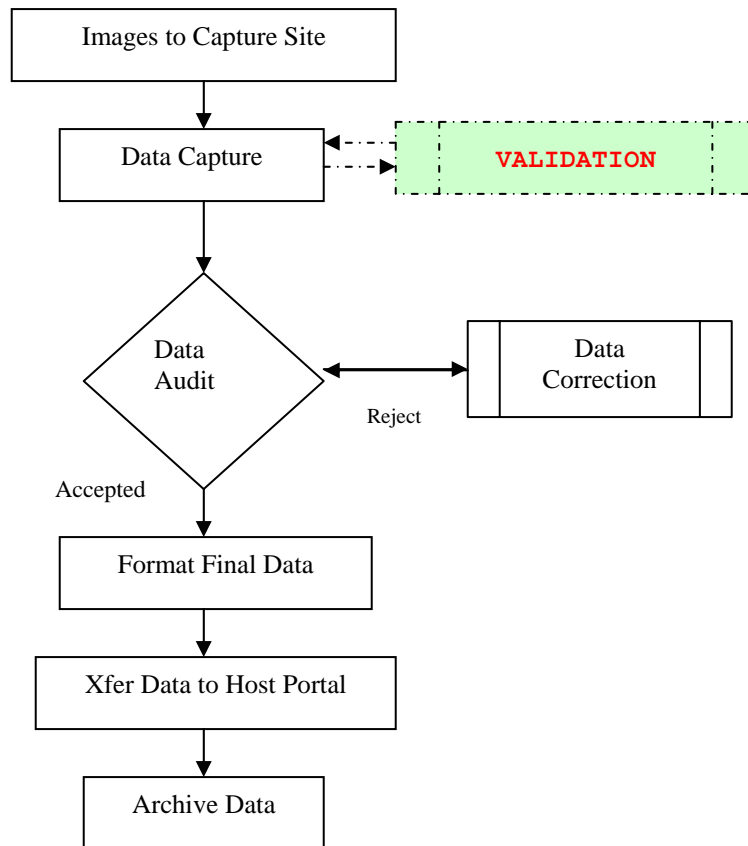
- Receive sorted & prepped claim forms from the mailroom
- Scan by Claim type
- Pages grouped by claim type
- DCN printed on the claim form
- Index created linking DCN to the image file name
- Image enhancement performed
- Background noise removed
- Frames cropped
- Images de-skewed
- Pages rotated to portrait mode if required
- Quality control inspection
- Check for proper:
 - Image rotation
 - Image clarity
- Pass – write to the communications server
- Fail – re-scan and re QC
- Images and index output to the communications server for transmission to the Lason capture site in the U.S.



Our remote operation facilities also act as collection centers for images. Once captured, we then transmit these images to our data capture facilities. In one pass we will provide services for which imaging is well known; space reduction, disaster recovery, improved access, and document collaboration/sharing. In addition, our infrastructure allows us to provide subsequent data capture for our clients in a cost-effective fashion.

Lason takes a “system” approach to document preparation and image-capture, i.e., we focus on not just prepping or just scanning, but the combined effort. We team with our customer to build a process, which minimizes steps and streamlines the process. We will work with Netwerkes.com to create a prep/scan model which provides the most cost-effective total image capture process. This proposal considers the process requirements normally found in similar claim conversion solutions provided by Lason.

We will develop, implement, and maintain procedures to ensure receipt, accountability, and control of all documents received on behalf of the State of Michigan Medicaid program.

**Step 3 – Data Capture**

The data capture starts with the receipt of the claim images at Lason's Troy Communications Hub. The images are automatically pulled and routed to the communications server for transmission to our data capture facilities. Lason's Central Tracking System (CTS) monitors and tracks all data transmissions coming in and out of our communications hubs. Lason's CTS also routes the images through the production process. As the data is keyed, the CTS monitors volumes transmitted, volumes keyed and volumes remaining to be keyed.

Lason has implemented a four step: key/verify/quality control process to insure that data returned to our customers is of the highest quality. The process for data capture is as follows:

- Images and index routed to data capture location
- Transmissions monitored by the CTS
- Load balanced between operating keying units
- Data entry – 1st Pass



- Key all fields as per specification
- Data entry – 2nd Pass
 - Verify all fields as per specification
 - Correct any mis-keyed characters
- Perform quality control on all forms keyed
- Re-key batches not meeting quality standards
- Transmit data records to Lason's Troy Communications Hub
- Lason CTS tracks transmissions to & from Lason Production sites
- Collate the Data Records for shipment
- Transmit data records to Netwerkes.com through secured FTP Server

The received ASCII table files are converted as a database. The database is then integrated into the Data Entry Application. When the data capture process begins, the operator will be accessing the integrated member and provider database to validate the information in the form and to select the correct member and provider numbers. The Application is designed not to skip the selection procedure without performing a lookup.

Lason has created a concept involving cross-functional personnel to handle ramp-up and production phases, called Customer Focus Cells (CFC). This team is dedicated to meet the customers' requirement in terms of quality, timeliness and other deliverables.

CFC comprises of expertise from the following areas:

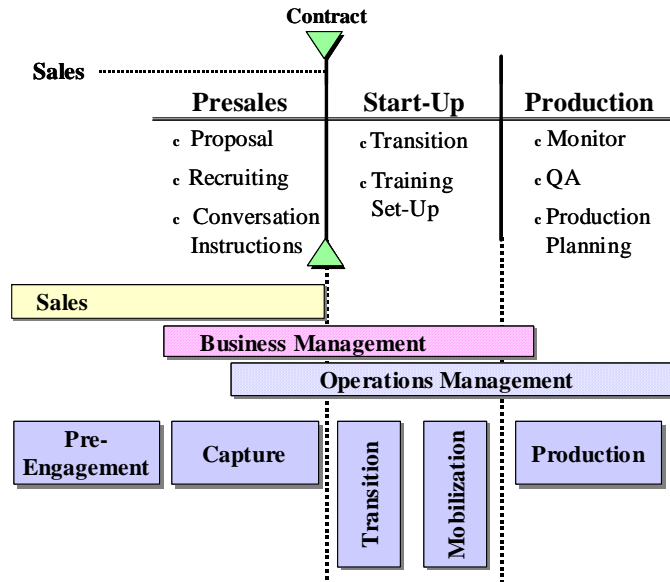
- Project Manager
- Production/Shift Supervisor
- Software Development
- Systems Support
- Conversion Instruction Analyst
- Quality Engineer
- Production team leader & operators
- Ramp-up specialist
- Production Planning and Control
- Document Preparation and Inventory Specialist

The CFC team has a minimum of four years of experience in project implementation and customer interaction.

The initial activity is the creation of the project management plan that describes the quality objectives, the project deliverables, project schedules, resource requirements, training schedules, risk assessment, risk mitigation plans and individual responsibilities towards meeting the project targets and deliverables. The method by which the project management plans are created, beginning with mailroom through conversion activities to product delivery are documented in the CFC procedures.



Lason follows certain planning and management process flow during the project phase:



Presales – This phase is inclusive of the steps of Lason project qualification, ITB/Contract negotiation and understanding of requirements

Start-up/Ramp-up – This phase includes the implementation of proposed solution and activities to start production

Production – Production is ramped up to the peak volume and is in the steady state.

The complete ramp-up process can be summarized into the following phases:

- **Capture/Initiate:** The ramp-up process starts immediately after the contract finalization. This phase encompasses the following critical tasks:
 - Project requirement sign-off
 - Finalization of 'Detailed Project Plan'
 - Systems design and development
 - Cycle tests
- **Mobilization:** This phase encompasses the critical tasks of mobilizing and training the resources for the start of production:
 - Capacity Development/Training
 - Volume Test
- **Transition:** Once the volume test is approved, the production is started with the mutually agreed volume. Lason also implements other critical processes such as reporting and change management as required by project specifications.
 - Start of Production
 - Volume Ramp-up
 - Reporting
 - Change Management



- Production: The training, capacity development and volume ramp-up continues till the peak volume is attained
 - Peak Volume

After the peak volume is reached at the required quality and turnaround level, the management focus shifts to 'continuous process improvement' through following steps:

- Improvement under ISO 9001 processes and TQM
- Statistical Process Controls
- On-going Training
- Research and Development

The diagram in Appendix 4 gives the high-level project plan. The 3 critical milestones of the project plan are Contract Finalization, Start of Production and Peak Volume.



Technical Approach – Provider Conversion

As previously stated the key factors to successfully converting paper claims submitters to electronic submission are:

1. An exceptional solution (electronic claims entry systems).
2. The right team to market the solution to, and support the tens of thousands of providers targeted for conversion.

To assure that the conversion is successful, the Winslow Team has the proper resources and plans to implement both the Netwerkes.com web claims system and the DDE system. The team's preliminary plan is provided below.

Task Overview

Project Start-up. In the 60 days after award of the contract the Winslow Team will accomplish the following major tasks:

- Develop marketing materials
- Develop training materials
- Develop provider conversion tracking system. The Winslow Team will develop a provider-tracking database that will be used to monitor targeted providers as they are contacted and move through the marketing and training portion of the conversion process. The tracking system will be used in conjunction with the Netwerkes.com system that tracks provider setup in the system.
- Develop eCommerce interface – During the start-up period the Winslow Team, in collaboration with MDCH and Netwerkes.com, will develop an online system to replace as much of the current required paperwork (service agreement, business associate agreement, electronic submitter designation form) as possible. Improvements to the eCommerce interface will occur as necessary throughout the project.
- Acquire provider assignments from MDCH in order to develop provider contact and conversion goals and schedule.

Monthly Provider Conversion Process. Following the project start, the Winslow Team will accomplish a series of activities on a monthly basis, designed to continually move groups of providers through the conversion process. The monthly activities are:

- Identify “target” providers for month. Providers will be selected based on:
 - Interest from providers. Providers that actively seek out conversion assistance will be given highest priority.
 - Paper claims with errors submitted during the preceding month (monthly report from Netwerkes.com). Because paper claims containing errors are extremely slow and expensive to process, providers with errored paper claims are expected to be prime candidates for conversion.



- High volume of paper claims, both from previous month(s) and historical data. Customer service representatives will utilize monthly high volume report from Netwerkes.com, as well as historical claims data, to identify high volume claims submitters. Providers will be selected in order of decreasing claims volume in appropriate numbers to systematically reach MDCH conversion goals.
 - Individual follow up to marketing and outreach conducted through provider associations. Following activities (presentations, seminars, etc) conducted in cooperation with provider associations.
- Assign providers to customer service representatives. Based on the provider characteristics (provider type, volume, expected use of batch file uploads, geography), targeted providers will be assigned to appropriate customer service representatives.
- Mail/Distribute marketing materials. Materials will be mailed to individual providers, and distributed to groups of providers through associations and other marketing opportunities.
- Call/contact previously targeted providers to secure provider participation and determine whether providers will utilize screen data entry or file upload methods. Customer service representatives will follow up with telephone calls to their assigned target providers within the month following their receipt of targeted marketing materials.
- Perform site visits to selected subset of targeted providers. Certain high volume providers, and those requiring more detailed discussions about the conversion process will be visited by a customer service representative to secure their participation and determine their data entry method.
- Sign up providers for the Netwerkes.com service. Currently, this process includes:
 - Executing a Service Agreement and a Business Associate Agreement
 - Completing an MDCH electronic biller authorization form.
 - Collecting account setup information (TIN, Contact, Addresses, Users, etc).
 - Entering account setup information into the Netwerkes.com system

Because these are likely to be the most time consuming steps for the majority of providers, the project team plans on streamlining and automating as much of the process as possible. We believe that it would be possible to replace, much, if not all of the process with a paperless, online sign up system.

- Customer training. It currently requires at least one hour to train a provider/biller to successfully log on the Netwerkes.com system, and successfully enter claims. New, multimedia training materials will allow customers to effectively train themselves, whenever (and as often) as they like. Customer service representatives will follow up with additional support as needed in order to get the provider operational, and for three months after conversion.



- Confirm successful claims submission. Customer service representatives will track their providers through successful claims submission and provide additional troubleshooting and assistance as needed. At this point, the provider has successfully converted to electronic claims submission, and ongoing support will be provided via normal Netwerkes.com customer support except for low volume providers (see below).
- Three months of telephone technical support after conversion for “low volume” providers. In order to maintain their exceptionally low per (electronic) claim fees, Netwerkes.com will not offer telephone technical support to providers submitting fewer than 100 claims per year. Winslow Technology customer service representatives will provide free telephone technical support for three months following each small customer’s conversion to Netwerkes.com web-based system. These providers will have the opportunity to contract with Winslow Technology for ongoing customer support following the expiration of the three month free period. Small providers will be able to choose a service plan from several options (annual subscription, per incident, or per minute), according to their needs.
- Project reporting. On a monthly basis, the customer service manager will provide a brief written report to Netwerkes.com for inclusion in their overall monthly project report. The report will document and summarize the numbers of providers targeted, number of providers signed up for the service, and the number of successful conversions. The report will also document progress toward process improvements, as well as current barriers and proposed solutions.
- Project control. On a monthly basis, the customer service manager, and conversion project manager will participate with Netwerkes.com management and MDCH-MSA management in overall project coordination meetings.

Task Schedule

The proposed provider conversion task schedule is a guideline. While the incentives to convert providers to electronic claims submission are strong, our experience with Medicaid providers during the Uniform Billing and HIPAA Conversion projects have proved how difficult it is to predict when and how providers will actually take action. Because provider actions never take place in a vacuum, the ability to identify various, and changing needs of different providers, and identify and leverage new opportunities for collaboration are key.

The ability to adjust on-the-fly has proved to be one of our team’s greatest strengths. The Winslow Team is proactive and has the knowledge, experience, and wherewithal to identify and adapt to the changing needs of providers. The team is agile, responsive, and can adapt to changes within the MDCH-MSA environment and provider communities, successfully communicating those changes to providers. While we recognize that the actual work plan will be designed in collaboration between Netwerkes.com and the MDCH project director our schedule, based on the requirements of the ITB, is illustrated in Appendix 4: Winslow Work Plan.

**C.3 PROJECT STAFFING****Netwerkes.com**

Philip C. Liethen, Ph.D., Vice President Netwerkes.com.	Dr. Liethen has been the manger for Netwerkes.com operations in Michigan since the initial pilot project with the MPHI sponsored by MDCH in 2001. Dr. Liethen will oversee the development and implementation of services described in this ITB. (SEE Appendix 1, Resumes).
Robert Peltier, Senior Implementation Specialist	Mr. Peltier came to Netwerkes.com upon his "early-out" retirement from MDCH as the Manager of Medicaid Provider Relations in 2002, where he had also functioned as the chief liaison between Netwerkes.com's and MDCH during the HIPAA preparation project. Mr. Peltier provides to Netwerkes.com his extensive wealth of knowledge about Medicaid billing and systems in his role as the Senior Implementation Specialist in Michigan; in this role Mr. Peltier continues to facilitate the harmony of service between Netwerkes.com and Michigan Medicaid. (SEE Appendix 1, Resumes).
John Klotz, Chief Operating Officer, Netwerkes.com	Mr. Klotz manages all daily operations for claims' receipt, processing, and transmission, and is a principal processes developer/programmer for those systems. (SEE Appendix 1, Resumes).
Chris Birk, Chief Technical Officer, Netwerkes.com	Mr. Birk oversees Netwerkes.com's general technical operations and also is the principal developer/programmer for referral and remittance systems exchange. (SEE Appendix 1, Resumes).
William McLaughlin, Chief Executive Officer, Netwerkes.com	(SEE Appendix 1, Resumes).

**Lason Systems, Inc.**

Steven Coleman	Production Manager
Kane Polakoff	Director of Data Capture
Sri Rajagopalan	Director of Operations
Michael Miller	Systems Engineer
Srini Murali	Technical Manager Systems Development
Enrique Donnadieu	Production Planning and Control

**Winslow Technology, Inc.**

Jeffrey Taylor Ph.D.	Chief Executive Officer
Jeffrey Wiehl	Chief Operating Officer
Jeffrey Allison	General Manager
Linda McCardel	Medicaid Policy Specialist
Marc Rakas	President: Fahrenheit Creative Group

**C.5 Subcontractors**1. Lason, Inc.

SUBCONTRACTOR 1	Lason Systems Inc. 1305 Stephenson Highway Troy, MI 48084
CONTACT PERSON	Mark Clinton President Data Capture Services Telephone Number: 248-824-2102 Email: mclinton@lason.com Fax: 248-526-1855:
DESCRIPTION OF WORK SUBCONTRACTED	Receipt, sorting, and indexing of paper claims and attachments, and scanning/imaging and double-key entry of claim data to EDI format.
ORGANIZATION & ABILITIES	LASON INC is a Delaware corporation licensed to operate in the MDCH of Michigan. Lason is headquartered in Troy, Michigan, and data capture and mailroom operations will be performed at a Lason owned branched facility located in El Paso, TX. Lason will not require the use of subcontractors in performing the services described.

**2. Winslow Technology Inc.**

Contact Information	Mr. Jeffrey Wiehl Winslow Technology Inc. 2501 Jolly Road Suite 180 Okemos, MI 48864 Telephone (517) 324-8325 Facsimile: (517) 324 7370 JWiehl@winslowtechnology.com
Tasks to be Subcontracted	Provider education, training, outreach, and customer service.
Qualifications	<p>Winslow Technology Inc.(WTI) is a private, for-profit Michigan "C" corporation established in 2001 to provide solutions through the leveraging of technology to improve the productivity and quality of work done.</p> <p>MPHI/WTI has developed several Internet-based courses specifically for Medicaid providers in cooperation with its key business partners, providing the content and objectives of the materials. With courses aimed at helping Medicaid providers understand Medicaid rules and correctly complete Medicaid claims both paper and electronically. The implications of the HIPAA laws and what they need to do to become compliant, as well as the advantages of electronic commerce with healthcare payers.</p> <p>For Michigan Department of Community Health's HIPAA Transactions program and Uniform Billing Project, MPHI has subcontracted with Fahrenheit Creative Group to create and implement strategic communication plans. Tasks included providing additional management staff, creative concepts, graphic design, web design, print production and multi media production of provider education and training materials, plus consultation to both projects' Communication and Training Committees. Fahrenheit also conducted and facilitated outreach education to Michigan's medical professional community through provider associations.</p>



III-D SECURITY

Netwerkes.com

Netwerkes.com staff assigned to the Contract and who would ever enter a MDCH of Michigan facility exclusively include those listed in IV, C, 4, above, who are all senior level staff and with background and current trust to have access to commensurate security status with Netwekes.com; any future additions to this list would also be senior level staff. Upon request by the MDCH, Netwerkes.com and its subcontractors will cooperate should the MDCH desire to perform a security background checks on personnel involved in the Contract, and therewith will provide to the MDCH a list of all people that will service the MDCH of Michigan, including name and date of birth, social security number and/or driver license numbers. The staff of Netwerkes.com and its subcontractors will comply with the security access requirements of individual MDCH facilities and will accept the ID badge issued by the MDCH should the MDCH choose to issue such. Dr. Liethen, Mr. Peltier, and Mr. McLaughlin have had access to MDCH facilities and had meetings with MDCH on the Electronic Billing Project. Mr. Peltier, being a former MDCH/MSA employee, has had security access and clearance to MDCH facilities.

Lason Systems, Inc.

If Lason Systems personnel are to access State of Michigan facilities, Lason personnel will comply with all State of Michigan security requirements.

Winslow Technology, Inc.

All current Winslow Technology, Inc. staff members have been issued Contractor Identification Badges by the State of Michigan. All employees undergo background checks, conducted by Identifax as part of our hiring process. We will submit the results of those checks to the MDCH of Michigan upon request. Winslow Technology, Inc. will coordinate any subcontractor Identification Badges or background checks that might be required.

**III-E QUICK PAYMENT TERMS**

Netwerkes.com will provide the following quick payment terms:

For invoices paid within ten (10) days of the invoice date a two-percent (2%) discount will be applied. All invoices are due and payable within thirty days of the invoice date. Invoices not paid within thirty (30) days of the invoice date are subject to a surcharge of one percent (1%) per month.

III-F BIDDER'S AUTHORIZED EXPEDITOR**Netwerkes.com**

William McLaughlin
President and Chief Executive Officer
Netwerkes.com
PO Box 244
Appleton, WI 54912-0244

Phone: (262) 695-3391 ext 101
Mobile: (920) 475-5006
Fax: (262) 695-3394
Email: william.mclaughlin@netwerkes.com



III-G ADDITIONAL INFORMATION AND COMMENTS

G.1 Information and Considerations Not Specifically Requested In The ITB.

The following information or considerations have not been specifically asked for elsewhere but are offered for the MDCH's consideration:

Netwerkes.com suggests that the MDCH consider the following issues, to maximize the opportunity to gain services and efficiencies:

1. **CONTINUATION OF NETWERKES.COM'S CURRENT SERVICES TO MDCH & HEALTH PLANS.**

Netwerkes.com currently provides EDI services to MDCH and Medicaid providers in a continuation of the HIPAA Readiness Project initiated in 2001 and continued by yearly extension since that time. As of October 2003, Netwerkes.com served as a clearinghouse for over 2000 unique Tax ID's representing several thousands more providers which transmitted over 1.5 million claims of all types, and conducted over 1.6 million eligibility inquiries, to MDCH Medicaid and 12 of the Medicaid Health Plans. Netwerkes.com proposes that the MDCH continue these services on an ongoing basis, to continue to the good value offered and the encouragement toward EDI services it provides. By continuing these services uninterrupted Netwerkes.com can continue the services without charging providers and health plans. A change in this system would cause significant and serious disruption to the services now experienced by the providers, health plans, and MDCH. Also, if the MDCH continues the services currently being provided by Netwerkes.com, then services to the 12 Medicaid health plans will continue without interruption. Those few remaining health plans not yet participating could also be included under this continuation and, as with those already implemented, no costs will be passed to the plans except for extraordinary needs on an individual basis.

2. **GAIN EFFICIENCY OF A UNIFIED EDI SYSTEM: INCLUDE CATEGORY 3 CLAIMS, PRE-AUTHORIZATION, AND ENROLLMENT.**

Netwerkes.com suggests that the MDCH consider the efficiencies to be gained with Netwerkes.com's approach and full range of electronic products, to reduce paper, independent and redundant information systems, and associated infrastructure (and infrastructure support). In addition to the services specifically sought in the current ITB, the following additional services could be readily integrated for a more global solution:

- a. Category 3 Claims (HCFA 1500, UB 92, and ADA Dental claims, WITH ATTACHMENTS REQUIRED) receipt and processing, will provide the benefits from an integrated system to receive, convert, and/or image, all health claims documentation. It is probable that this integrated approach will provide a more efficient overall solution, with associated savings. All claims and associated documentation can be received in one system, with MDCH then having to interface with only one system to receive (or even view) all information.



This is further the case where providers must submit documentation subsequent to claim submission, and because the documentation is received in the same system, it can be more easily matched and tracked.

- b. Netwerkes.com offers for the MDCH to consider using Netwerkes.com as a general clearinghouse receiver for all EDI claims being transmitted to MDCH, in consideration of the scope of services Netwerkes.com can provide with regard to those claims (and attachments) and for those providers.
- c. This contract refers to a start-date of 03/01/2004 at which time Netwerkes.com would start receiving and processing claims / claim information per Contract specifications. Netwerkes.com offers for the MDCH to also consider including any backlog of unprocessed claims as the start date in this Contract; the systems / processes in place as of Contract Start would be wholly adequate to manage what ever backlog exists at that time.

3. MSA BRAND-NAMING OF NETWERKES.COM SCREEN-ENTRY SYSTEM.

Netwerkes.com understands that as many as 20,000 Medicaid providers submit less than 50 claims per year —only about 4 per month. An expedient approach to efficiently converting many of these providers to submitting their Medicaid claims electronically would be for the MDCH to “brand name” Netwerkes.com’s screen entry system on its MSA website. With this, small volume / occasional Medicaid providers could log in to an MSA website and directly key-in individual HCFA, UB, or Dental claims. Upon completing the claim the data would be immediately validated against the Medicaid edits and eligibility database, and if valid, would be accepted. The data would be accepted on the basis of the relationship between the MDCH and the provider; Netwerkes.com would not establish a customer relationship (i.e., contract and BAA). The provider would have no other access to Netwerkes.com functionality (as the provider would not have an account/profile and password), although the provider would be invited to contact Netwerkes.com to become a customer and thereby have full access.

4. REDUCE PAPER CONVERSION COST BY KEYING ONLY NECESSARY FIELDS.

The MDCH can reduce paper-conversion-to-EDI costs with a strategy of having only those fields actually required for adjudication keyed/converted to EDI format, thus reducing the number of keystrokes required to enter the claim which in turn will reduce the price of the conversion. Netwerkes.com understands from its experience working with the MDCH that not all fields required to be entered by providers are actually required for adjudication; if only these fields were keyed there is a savings to be realized. The information not keyed/converted would remain available for review by MDCH personnel by reviewing the actual image of the claim and associated attachments. The financial impact on the overall cost of the project of keying only necessary fields is significant. Using this procedure the overall cost of the project would decrease from \$3.9 million to \$3.4 million—a cost reduction of approximately thirteen percent (13%).



G.2 Suggested Improvements And Process Changes To Reduce Paper To Be Processed.

In this ITB the MDCH invited bidders to “suggest improvements and possible process changes that would reduce the amount of paper that must be processed”. By its experience implementing Michigan Medicaid providers to transmit Medicaid EDI claims and working with MDCH to manage claim input, Netwerkes.com offers the following suggestions:

1. MDCH AGENT AUTHORIZATION FORM. As the result of our experience converting paper-claim submitters during the HIPAA-readiness project. Netwerkes.com suggests several alternative methods to facilitate the goals sought by the MDCH in this contract. One is the elimination of the current paper Agent Authorization Form in favor of a web-based sign-up. For example, Netwerkes.com could publish an Adobe Acrobat document (“PDF”) which providers contacted by Winslow Technology can download and print and does not require the billing agent (Netwerkes.com) to sign the document or at least allow signature of a downloaded rather than “original” document.. Another option is to eliminate the form and allow the assumption of such authorization by Netwerkes.com if the provider is transmitting via Netwerkes.com. The delays that can result from this form can have a significant effect on provider adoption of the system. Delays in this process can result in delays in provider adoption of the system, thereby delaying achievement of ITB goals.
2. The MDCH also invited bidders to “suggest improvements and possible process changes that would reduce the amount of paper that must be processed”. Netwerkes.com suggests that with the implementation of this Contract that the current MSA requirements for the quality of claims submitted, and for receipt of only required / requested attachments, be enforced. Through its current work with the MDCH, Netwerkes.com has heard estimates that as much as 80% of the attachments received are not one sought or required by the MDCH, and which may reflect several hundred thousand documents; there is an obvious saving to not handling, imaging, and storing, documents which are not necessary. However, if it is necessary for the MDCH to continue receiving and images even not requested documents, Netwerkes.com proposes its total solution to most cost effectively manage that burden.

G.3 Netwerkes.com’s Expectation of the MDCH

The ITB states that expectations Netwerkes.com would have of the MDCH in order to perform the tasks of the Contract must be listed. Netwerkes.com notes the issues listed below to be consideration required of the MDCH:



1. Netwerkes.com will require specific instructions from the State as to how to “gap-fill” or otherwise manage the data elements from paper claims which inevitably will include information invalid for the 837 4010A1 format per the State’s specifications, and for being able to transmit to the State such a file containing such invalid elements. This problem results from the fundamental fact that the claim data is being received on paper claims, which will then be hand-keyed to make a true electronic representation of the paper claim information. However, because there is no opportunity to front-end validate the information prior to its transmission to the State (such as occurs for providers using Netwerkes.com for EDI transmission), the paper-claim-made-electronic data –if a true representation of what was submitted- will inevitably include invalid information for the 4010 format. Netwerkes.com will work with the State during the start-up period to develop solutions functional for the State. Netwerkes.com expects that some special programming will be required to fulfill these needs of the State and considers some programming for the implementation of a customer to be merely part of the cost of doing business; however, depending on the scope of programming required there could be the need to have agreement with the State for support in those specific development costs to fulfill the extraordinary needs of the State.
2. As described above, Netwerkes.com can have the images of the claims and associated COB attachments (and if the State options, also medical attachments) available. The State will use Netwerkes.com’s Claim ID to reference the claims and associated documentation contracted for.
3. Netwerkes.com and subcontractors desire to negotiate the language in Section I (including I.P. Work Product and Ownership) of the ITB related to intellectual property. By signing this ITB neither Netwerkes.com, LLC nor its subcontractors intend to convey property rights to any source code in the applications or other copyrighted materials that might be developed to support the various services to be provided under the terms of this ITB. Netwerkes.com, LLC and subcontractors will provide the State of Michigan a non-exclusive, worldwide, non-transferable, irrevocable, paid-up license to use the service contemplated by this ITB on a non-commercial basis for the benefit of the state of Michigan.
4. Netwerkes.com requires explicit criteria to determine which claims must be returned to providers when the condition of the claim makes it impossible to be keyed.



Claims Not Meeting MSA Standards for Entry

Paper claims and attachments that do not meet MSA standards for entry will be returned to the provider. Netwerkes.com, LLC will bill MDCH on a monthly basis \$0.44 per claim, attachments included. Netwerkes.com reserves the right to increase this price based upon increases in USPS postal rates.

Netwerkes.com proposes a two tiered pricing methodology for the conversion of paper claims submitters.

Provider conversion to Netwerkes.com System

As recommended in the ITB, Netwerkes.com proposes a one-time fee be assessed for converting existing paper-filing providers to electronic claims submission for those providers that become Netwerkes.com customers and utilize the Netwerkes.com web based claims system. The one-time fee will be charged based on monthly report to MDCH of successful conversions, as evidenced by an executed business associate agreement and successful claims entry and processing. The absence of a pricing differential by provider type reflects the fact that contact, implementation, training, and support activity does not vary significantly for any particular provider type.

Provider Type	Fee
Solo Dentist	\$1000
Solo Physician	\$1000
Outpatient Hospital	\$1000
In-Patient Hospital	\$1000
Nursing Home	\$1000
Clinic	\$1000
Other Institutional Type	\$1000
Other	\$1000

Provider conversion to use of Direct Data Entry (DDE) system

Because the DDE solution is targeted at low volume providers, and it will be available for any provider to use, without “signing up”, business associate agreements will not be completed with providers to show as evidence for provider conversion. What will be known is that for each claim that enters the system using that method, there is one fewer paper claim that must be processed.



While we believe that the numbers of providers using the system may be significant, we also believe that claims volume on this system is likely to be relatively low. To be able to support the marketing necessary to drive large numbers of low volume providers to use of the DDE system, we propose a per (paid) claim fee be charged during duration of the project (while marketing is taking place).

DDE Conversion Fee/Brand Naming Site Entry

\$10.00 per transmitted claim

Price Proposals for Optional Services

Netwerkes.com has proposed that the MDCH may benefit from other services not specifically asked for in this ITB. Below are the pricing proposals for those services:

Price Proposal for Continuing Services Currently Performed By Netwerkes.com

Netwerkes.com is the second-largest clearinghouse of Michigan Medicaid claims and is growing rapidly. The benefits of the system for both Medicaid providers transmitting the claims and for the MDCH receiving them are its ready implementation, ease of use, and extensive front-end validation which significantly reduces the number of error claims for both groups. Netwerkes.com continues to charge only a transaction fee. Netwerkes.com proposes to continue providing this service at \$0.35 per claim.

EDI Per Claim

\$0.35 (HCFA, UB, & Dental)

Netwerkes.com's system has also become popular with providers because of its easy access to MDCH eligibility verification. Providers can easily determine what services their patients are eligible for upon making appointments, confirm coverage on the day of the appointment as well as for past appointments up to one year prior. Then, upon entry into the Netwerkes.com system every claim is validated against the Medicaid eligibility database. Both the provider and MDCH benefit from being able to efficiently verify eligibility, which in turn facilitates the provision of services. Through its work with MDCH, Netwerkes.com understands that for the service for a given claim eligibility may be checked as many as 4-5 times by the time the claim has been adjudicated by MDCH. Netwerkes.com proposes to continue this blanket access to Medicaid Eligibility verification and validation by a simple unit charge per claim transmitted to MDCH ("accepted claim") of \$0.18, to reflect all associated utilization of this service.



Eligibility Verification & Validation
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\$0.18 per transmitted claim

Category 3 Paper Claims-With Attachments No COB Required

Claim Type	Annual # of Paper Claims	< 50,000 Claims	50,000 to 100,000 Claims	100,000 to 200,000 Claims	200,00 to 300,000 Claims	>300,000 Claims
Professional	900,000	\$2.88	\$2.32	\$1.99	\$1.90	\$1.89
Dental	270,000	\$2.88	\$2.32	\$1.99	\$1.90	\$1.89
Institutional	130,000	\$3.38	\$2.91	\$2.57	\$2.47	\$2.46

Category 3 Paper Claims – With Attachments and COB Keying

Claim Type	Annual # of Paper Claims	< 50,000 Claims	50,000 to 100,000 Claims	100,000 to 200,000 Claims	200,00 to 300,000 Claims	>300,000 Claims
Professional	900,000	\$4.38	\$3.61	\$3.27	\$3.17	\$3.15
Dental	270,000	\$4.38	\$3.61	\$3.27	\$3.17	\$3.15
Institutional	130,000	\$5.38	\$4.91	\$4.57	\$4.48	\$4.47

Price Proposal for the Minimum Number of Required Fields Solution

The following tables provide per-claim pricing based on the assumption that the Minimum Number of Required Fields will be extracted from the claim/COB forms submitted, and then the Maximum Number of Keystrokes Required to Complete Required Fields:

1. Minimum Field Capture Category 1-Paper Claims (No Attachments)

Claim Type	Annual # of Paper Claims	<50,000 Claims	50,000 to 100,000 Claims	100,000 to 200,000 Claims	200,00 to 300,000 Claims	>300,000 Claims
Professional	900,000	\$1.87	\$1.79	\$1.45	\$1.35	\$1.34
Dental	270,000	\$1.77	\$1.69	\$1.35	\$1.25	\$1.24
Institutional	130,000	\$2.72	\$2.52	\$2.50	\$2.48	\$2.47

2. Minimum Field Capture Category 2-Paper Claims (Keying COB Data)

TERMS AND CONDITIONS**CONTRACT #071B4200228**

Claim Type	Annual # of Paper Claims	< 50,000 Claims	50,000 to 100,000	100,000 to 200,000	200,00 to 300,000	>300,000 Claims
Professional	615,000	\$2.99	\$2.86	\$2.52	\$2.43	\$2.42
Dental	2,700	\$2.29	\$2.17	\$1.83	\$1.73	\$1.72
Institutional	17,000	\$4.68	\$4.21	\$3.87	\$3.77	\$3.75

3. Minimum Field Capture Category 3-Paper Claims (With Attachments-No COB Keying)

Claim Type	Annual # of Paper Claims	< 50,000 Claims	50,000 to 100,000	100,000 to 200,000	200,00 to 300,000	>300,000 Claims
Professional	900,000	\$1.87	\$1.79	\$1.45	\$1.35	\$1.34
Dental	270,000	\$1.76	\$1.69	\$1.35	\$1.25	\$1.24
Institutional	130,000	\$2.72	\$2.56	\$2.22	\$2.13	\$2.12

4. Minimum Field Capture Category 3-Paper Claims (With Attachments and COB Keying)

Claim Type	Annual # of Paper Claims	< 50,000 Claims	50,000 to 100,000	100,000 to 200,000	200,00 to 300,000	>300,000 Claims
Professional	615,000	\$2.99	\$2.86	\$2.52	\$2.43	\$2.42
Dental	2,700	\$2.29	\$2.17	\$1.83	\$1.73	\$1.72
Institutional	17,000	\$5.31	\$4.86	\$4.52	\$4.43	\$4.42

5. Minimum Field Keying Solution – Additional Claim Service Line

Claim Type	Annual # of Paper Claims	< 50,000 Claims	50,000 to 100,000	100,000 to 200,000	200,00 to 300,000	>300,000 Claims
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TERMS AND CONDITIONS**CONTRACT #071B4200228**

Professional	900,000	\$0.30	\$0.27	\$0.25	\$0.23	\$0.22
Dental	270,000	\$0.29	\$0.26	\$0.25	\$0.23	\$0.22
Institutional	130,000	\$0.25	\$0.225	\$0.21	\$0.19	\$0.18

**APPENDIX I: RESUMES****Netwerkes.com****Philip C. Liethen, Ph.D.****LABOR CATEGORY:** Internet EDI Services **KEY:** Yes**SUMMARY OF RELEVANT EXPERIENCE:**

Dr. Liethen's clinical training and long experience as a health care provider and clinical program director provides netwerkes.com (Nw) those perspectives for the application and implementation of its services with providers and health care systems. Dr. Liethen's skills in clinical data analysis and interpretation provide those important skills for Netwerkes.com programming development for clinical performance standards, e.g., HIPPA, HCFA, and profiling practice and resource patterns.

In Michigan, Dr. Liethen is the chief liaison for implementation of Netwerkes.com services. In this role Dr. Liethen was instrumental in implementing the Michigan Department of Community Health (MDCH) Medicaid EDI Pilot that successfully established the capacity of the Netwerkes.com Internet system for the online checking of eligibility of the 1.2+ million Medicaid enrollees and for the validation and transmission of Medicaid HCFA and UB92 claims to the State of Michigan and its Qualified Health Plans. In so doing Dr. Liethen consulted with and coordinated the involvement of Netwerkes.com with MDCH, hospitals and hospital systems, Management Service Organizations (MSO's), Physician Health Organizations (PHO's), and individual provider offices. In 09/2001 the State deemed the Pilot a success and contracted with Nw to be the first Internet Company certified by the State for transmission of Medicaid claims.

EDUCATION:

B.A., Psychology & Sociology, University of Wisconsin – Oshkosh, 1975.

M.S., Clinical Psychology, Central Michigan University, 1979.

Ph.D., Clinical Psychology, University of Detroit, 1989.

EXPERIENCE:

Director of Business Development
Pewaukee, Wisconsin

Netwerkes.com
01/01/2001–current

Director of Business Development William McLaughlin, President and CEO (262) 695-3391
Oversees Netwerkes.com activities in Michigan, including marketing and support, to providers and payers.

Michigan Medicaid EDI Internet Billing Pilot, Primary Responsibility for Implementation



Directed implementation of the Medicaid EDI Internet Billing Pilot with the MDCH and the two selected QHP's (Community Care Plan & Priority Health). The Pilot initiated 03/01/01 and was slated for six months. The objective goals of the Pilot were achieved by 06/2001: The number, and range of types, of providers were identified and brought online for the checking of eligibility, and validation and transmission of Medicaid claims. MDCH deemed the Pilot a success and has entered into a production agreement with Netwerkes.com, and now uses Netwerkes.com as the model for certification standards for companies who seek to transmit claims to the State.

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Philip C. Liethen Ph.D., S.C.

Office arrangements in Clinton Township, Royal Oak, & Port Huron. 01/01/2001-current

General neuropsychological private practice

William Beaumont Hospital

Neuropsychology, Hospital Practice
PM&R Department,
William Beaumont Hospital - Royal Oak
Royal Oak, MI

01/01/2000–12/31/2001

Chief Neuropsychologist Sherry Viola, M.D., Medical Director, (248) 649-0450
Sole neuropsychologist, provided outpatient and inpatient consultation upon referral by hospital physicians from the PM&R, Neurology, Neurosurgery, and other, departments. Managed contracted neuropsychologists and associated support staff, and overall activities, within established budget goals.

Director of Clinical Services & Neuropsychologist
Cognitive Retraining Program
PM&R Department
William Beaumont Hospital - Royal Oak
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William Beaumont Hospital

September 1992 – December 1999

Director of Clinical Services Jim Peard, Associate Vice President, (248) 551-5415
Director of Clinical Services manages provision of multidisciplinary clinical intervention to traumatically brain injured patients in an outpatient program including Neuropsychology, Speech & Language Pathology, Physical Therapy, Occupational Therapy, Therapeutic Recreation, and Educational Support.

Chief Neuropsychologist Sherry Viola, M.D., Medical Director, (248) 649-0450
General neuropsychological service, including screening or comprehensive neuropsychological assessments, consultation with other multi-disciplinary staff, and psychotherapy.

TERMS AND CONDITIONS**CONTRACT #071B4200228**

Neuropsychology, Private Practice
Neuropsychologist
Associates in Psychology
233 South Gratiot Avenue
Mount Clemens, MI 48043

Associates in Psychology

July 1989 – January 1995

Neuropsychologist
Neurosurgery Group, P.C.
Children's Hospital of Detroit
3901 Beaubien, Second Floor
Detroit, MI 48201

January 1992 - August 1992:

Neuropsychologist, contingent contractor
Beaumont Hospital,
Barnum Rehabilitation & Health Center
Cognitive Retraining Program
817 Purdy
Birmingham, MI 48072

July 1991 - August 1992

Neuropsychologist
Huron Behavior & Learning Clinic, P.C.
1205 Richardson Street
Port Huron, MI 48060

June 1991 - December 1992

Neuropsychologist
Sinai Hospital
Neuropsychology Section,
Department of Rehabilitation Medicine.
6767 West Outer Drive, Detroit, MI 48235

March 1990 - May 1991

Staff Psychologist
Expanded Services Program
Blue Water Mental Health
& Child Guidance Clinic
1501 Krafft Road
Port Huron, MI 48060

September 1989 - October 1990

Clinical Psychology Internship
Wyandotte Hospital
& Medical Center
2333 Biddle Avenue
Wyandotte, MI 48192

Wyandotte Hospital

September 1988 - August 1989

American Psychological Association Approved Internship
in Clinical Psychology Penelope Hale, Ph.D., (313) 278-7777

TERMS AND CONDITIONS**CONTRACT #071B4200228**

Blue Water Mental Health
& Child Guidance Clinic
1501 Krafft Road
Port Huron, MI 48060

Blue Water Clinic

September 1986 – September 1988

Supervisor, Outpatient Program,
September 1986 – September 1988

Jim Gilan, Director, 810-985-5125

Clinical and administrative supervision of the outpatient staff of 6 social workers and psychologists. Screened and channeled referrals to appropriate clinic programs and make case assignments within the Outpatient Program. Consultation with other clinic or community programs regarding the provision of services. Personal caseload of direct therapeutic and assessment services.

Staff Psychologist
July 1979 – August 1986

Andy Anderson, Director (not available)

Psychotherapy/counseling and psychological testing. General clinical service to referrals on identified patients under age 25. Service often extended to older ages (i.e. parents of referred children) according to service needs of the case. Experience included age range from 2 to 60+ years. Service modalities: individual, marital, family, child/filial therapy, and parenting counseling, and was provided in the office, on home visits, and in urban and rural settings. Caseload ranged from 12-30 cases depending on collateral position duties.

RELEVANT TRAINING AND CERTIFICATION:

Post-graduate training in statistical descriptive and analytical methods data analysis and interpretation, including experimental design.

Computer use, including specialized program use for clinical data analysis, has been a central component of my professional work.



ROBERT A. PELTIER, MT (ASCP)

LABOR CATEGORY: Internet EDI Services **KEY:** [Yes]

SUMMARY OF RELEVANT EXPERIENCE:

Mr. Peltier's medical training and long experience in virtually all areas of the health care arena provides networkes.com (Nw) the technical knowledge, expertise and experience required for providers and health care systems to receive reimbursement for delivered services. Mr. Peltier's knowledge and managerial experience with Michigan Medicaid medical billing provides the vital skills required for Nw programming development of billing application standards.

In Michigan, Mr. Peltier is the chief liaison between the Michigan Department of Community Health (MDCH) and services delivered by Nw. Prior to his retirement from the State of Michigan on 7/26/2002, Mr. Peltier was the MDCH point of contact between the MDCH and Nw and instrumental in implementing the MDCH Medicaid EDI Pilot that successfully established the capacity of the Nw Internet system for the online checking of eligibility of the 1.2+ million Medicaid enrollees and for the validation and transmission of Medicaid HCFA and UB92 claims to the State of Michigan and its Qualified Health Plans. Because of the overwhelming success of the Pilot, the MDCH contracted with Nw to be the first Internet Company certified by the State for transmission of Medicaid claims.

- B.S. Degree in Clinical Laboratory Science, with training emphasizing supervision and consulting for the utilization of blood products in the outpatient and institutional setting.
- 15 years with retirement as Manager of the Michigan Medicaid Customer Services Unit.
- 12 years Clinical Laboratory Science practice with concentrated Blood Bank expertise.
- 8 years United States Air Force Medic with Dental specialty in Oral Surgery. Recipient of the Air Force Commendation Medal for exemplary service and Dental Programs designer in South East Asia.

EDUCATION

Feb 1987 to Present

Management classes through Lansing Community College, the State of Michigan and private companies offering management training seminars. Various self-improvement personal computer operating systems and software classes through Lansing Community College and the State of Michigan.

**1972 - 1976**

Lake Superior State University, Sault Ste. Marie, Michigan. Cum-Laude BS degree. American Society of Clinical Pathologist (ASCP) Medical Technologist License number MT-110169.

EMPLOYMENT**August 2002 to Present****Senior Implementation Specialist, Netwerkes.com LLC.**

Responsibilities include acting Privacy Officer for the company; contract liaison activities with the Michigan Public Health Institute HIPAA readiness contract on behalf of the Michigan Department of Community Health; special project manager with Michigan Medicaid provider relations; marketing and prospecting for the Netwerkes.com internet based medical billing program.

Nov 1994 to August 2002**State of Michigan, Department of Community Health, Lansing, Michigan, Medicaid Customer Services Manager.**

Responsible for direct management of nine (9) staff which include two (2) Field Representatives, three (3) Provider Seminar Instructors, three (3) Research and Analysis staff and the Provider Information Line supervisor of eight (8) customer service representatives. Strong working knowledge of personal computer applications including the development of Internet web pages. Daily interaction with legislative staff and provider/client advocate groups. Oversee and conduct research in evaluating the outcome of current and proposed utilization and reimbursement of health care services for the State's indigent population. Ongoing negotiation with the staff responsible for the development of policy and rules of participation in the Medicaid Program. Sole responsibility of researching, analyzing, verifying and preparing documentation for final approval by the agency CEO of all requests by providers experiencing cash flow problems and seeking financial assistance. Assigned extra projects by executive management in addition to usual managerial responsibilities.

Jan 1987 to Nov 1994**State of Michigan; Department of Social Services; Medical Services Administration; Lansing, Michigan.**

Responsibilities included improving Medicaid Program provider relations as the manager of the Field Representatives and Billing Seminar Instructors. Past duties included developing and implementing new Medicaid program policies and analyzing and applying existing policies to prevent Medicaid program abuse, while ensuring the delivery of quality care services to the state's medically indigent population.

Oct 1979 to Jan 1987**Ingham Medical Center; Department of Laboratories; Lansing, Michigan. Rotational staff Medical Technologist.**

Responsibilities include Midnight shift technical supervisor and PM shift supervisor.

**July 1978 to Oct 1979****Flint Regional Red Cross; Petoskey Sub Center; Petoskey, Michigan.**

Blood Bank staff Medical Technologist. Responsibilities include advising area hospital laboratory staff on blood component utilization.

July 1976 to July 1978**Northern Michigan Hospitals, Inc.; Department of Laboratories; Petoskey, Michigan. Rotational staff Medical Technologist.**

Responsibilities include assisting department supervisors in training and teaching Medical Technology interns.

Sept 1972 to Mar 1979**Montgomery Ward & Co.; Sault Ste. Marie, Michigan.**

Salesperson, part-time twenty to thirty hours per week and full time summers. Responsibilities include substitution for Department Managers' absence.

June 1964 to June 1972**United States Air Force. Dental Specialist.**

Oral Surgery Department Manager Scott AFB, Illinois and Andrews AFB, Washington D.C. Dental representative of Southeast Asia Civic Action Programs. Air Force Accommodation Medal recipient.

CHRIS BIRK: CHIEF TECHNOLOGY OFFICER



LABOR CATEGORY: Internet EDI Services **KEY:** Yes

SUMMARY OF RELEVANT EXPERIENCE:

Fifteen years of experience doing application development, including nearly ten years in the insurance/health care industry. Supervisory and large scale project experience. Practical experience in the understanding and implementation of the HIPAA standards, including reading and creating ANSI 237 referral and ANSI 834 eligibility files.

- 10 years in the insurance/health care fields.
- 15 years of development experience.

EDUCATION:

BS, Computer Science and Engineering, *Milwaukee School of Engineering*, 1992

EXPERIENCE:

Senior Vice President & Chief Technology Officer
Pewaukee, WI

Netwerkes.com
09/01/1996 - Current

Senior Vice President & Chief Technology Officer netwerkes.com management committee

Developed web-based referral, eligibility maintenance, and eligibility validation applications, including an application to allow providers to validate Michigan Medicaid eligibles. Created programming to read and write Chrysler Corp. eligibility data in the ANSI 834 format. Created programming to generate ANSI 237 referral file for Blue Care Network. Reviewed and implemented HIPAA security guidelines.

Consultant/Project Manager
Milwaukee, WI

YWCA of Greater Milwaukee
04/18/1997 – 02/15/1999

Consultant/Project Manager

Richard Greene, 414.852.1789

Oversaw development of an Internet-based Welfare-to-Work (W2) case management system for a division of the YWCA known as YW Works. This application included maintaining case and program information for W2 participants, an employer and jobs database, and locating jobs for participants by matching their skill set with those required for the job. This product is still being enhanced and marketed commercially under the name JEMZS.

Senior Programmer/Analyst
Milwaukee, WI

United Wisconsin Services
02/01/1992 – 04/15/1997

Senior Programmer/Analyst

Patrick McNeese, 262.523.4991

Developed applications for the various companies within United Wisconsin Services, including Blue Cross and Blue Shield of Wisconsin and CompCare. Applications were typically written in FoxPro or Visual Basic, and utilized FoxPro or SQL Server databases. Applications included the DRG system utilized by the State of Wisconsin to set inpatient DRG weights and hospital base rates for Medicaid, a subrogation system, HEDIS reporting, HMO utilization reporting for the State of Wisconsin, and a drug utilization system. Supervised on several multiple developer projects.

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TERMS AND CONDITIONS**CONTRACT #071B4200228**

sole developer of an application allowing for the transferal of referral data between legacy systems and client server applications.

Consultant
Racine, Wisconsin

Source Consulting
1/95 – 1/96

Developer

None

Made significant enhancements to J.I. Case's worldwide customer service system. This client-server based system was responsible for the coordinating and tracking of all customer service inquiries throughout North America, England, Germany and France.

Programmer
Milwaukee, WI

MetLife
1/93 – 1/95

Programmer

Supervisor location unknown

Developed and maintained programs to allow field representatives to underwrite medical, dental, life and disability policies for individuals and small groups from a laptop computer. These programs were written in various languages from PC COBOL to Powerbuilder.

Claims Supervisor
Milwaukee, WI

MetLife
1/82 – 12/92

Claims Supervisor

Supervisor location unknown.

Supervised staff responsible for responding to customer claim inquiries and claim entry and adjudication of health insurance claims.

WILLIAM MCLAUGHLIN PRESIDENT AND CEO

TERMS AND CONDITIONS**CONTRACT #071B4200228**

Consultant **Compcare Health Services Insurance Corp**
Blue Cross Blue Shield United of Wisconsin, Milwaukee, WI 1/93 to 11/96

Consultant Kathy Ledvina

Design incentive compensation scheme for primary care physicians and oversee development/contracting of a provider network to serve approximately 30,000 commercial HMO members in metropolitan Milwaukee, Wisconsin. Assist with the development of Northwoods Health Plan, a joint venture HMO between Howard Young Health Care and Compcare Health Services, a subsidiary of Blue Cross Blue Shield United of Wisconsin.

Vice President: Business Development and MIS **McNerney, Heintz, and Associates**
Barrington, IL 10/86 to 12/92

Vice President MIS (company no longer operational-purchased by BC of Iowa)

Select and implement claims processing system. Coordinate vendor selection process and make selection of vendor. The system was used to manage the claims adjudication for HMO of Iowa and United Health of Wisconsin (now known as Touchpoint Health Plan). Supervise MIS function at the corporate level for the company.

Vice President: Duane Heintz, phone
unknown

Develop business opportunities for company. Assisted with development of physician holding company in Appleton, Wisconsin. This holding company owned majority interest in United Health of Wisconsin (now known as Touchpoint Health Plan). Developed physician holding company in Sheboygan, Wisconsin. This holding

Director of Provider Relations **Maxicare Health Insurance Company**
Milwaukee, WI 5/85 to 10/86

Director of Provider Relations Lisa Key, phone unknown

Contracted and managed the provider network for a state-wide HMO with 50,000 members. Hired, trained, and supervised professional and support staff. Negotiated contracts with providers for delivery of services in two of three major metropolitan areas of Wisconsin.

Manager of UR/QA **Blue Cross Blue Shield United of Wisconsin**
Milwaukee, WI 4/84 to 5/85

Utilization Review, Manager Thomas Gazzana, phone unknown

Produced reports for key BCBS customers (Kimberly Clark Corporation, Wisconsin Bell, etc.) regarding claim experience. Identified problem claim submissions and, in cooperation with the legal department, produced reports and documentation that aided the prosecution of several fraud cases.

Quality Analysis, Manager Thomas Gazzana, phone unknown

Produced monthly audit reports for management on the accuracy of claims processing vis-à-vis contract benefits.

TERMS AND CONDITIONS**CONTRACT #071B4200228**

Senior Budget Analyst
Milwaukee, WI

Wisconsin Hospital Rate Review Program
12/81 to 4/84

Senior Budget Analyst

Doug Nelson, phone unknown

Using Medicare and Medicaid cost reports and budget documents prepared by Wisconsin hospitals analyzed hospital finances and made recommendations to Executive Director about hospital requests for price increases. Assisted with defense of recommendations when argued before the Wisconsin Hospital Rate Review Committee. Argued Committee position before appeal panel when decisions were contested by a particular hospital.



LASON, INC.

STEVEN COLEMAN

LABOR CATEGORY: [Project Manager candidate]

KEY: [yes]

Academic Purdue University BS Economics 1992
Qualifications

Experience at 1992 – 1995 Production Manager – Anaheim
Lason Managed data entry, scanning and document preparation personnel
in Lason's Anaheim location. Responsible for personnel issues,
production scheduling and meeting financial goals directly associated
with production hourly yields.

1995 – 1996 Project Manager – Anaheim
Responsible for coordinating communication and production activities
for Lason's largest customer, UPS. Operational activities included
document preparation, scanning, image transmission, data entry and
daily reconciliation of production activities. Handled day to day
customer communication, planning activities and production problem
resolution.

1997 – 1999 Director of Operations – Anaheim
Managed staff of over 200 production personnel spread among
Lason's corporate office and three domestic scanning locations.
Remote locations were responsible for document preparation,
scanning and data entry in support of customer operations (UPS).
Corporate staff responsible for coordinating production schedules of
three scan sites and transmission of images to four data entry
production sites; over 1 million images per day. Worked with data
capture site managers to plan and coordinate staffing and production
schedules for all Lason production resources. P&L responsibility for
the three branch locations.

2000 – 2002 Chief Information Officer - Anaheim
Manage staff of 20 programmers and 10 network support
personnel in the US, Barbados, Grenada and Mexico.
Department responsible for: software design, creation, and
maintenance; network administration; hardware/software
purchasing; and telecom administration. Staff produces data entry
software, scanning software and image/data tracking systems for
internal operations consisting of 2000 scanning and data capture
personnel in 5 countries. Responsible for network architecture
design, technical help desk support, production workflow design
and hardware recommendation & procurement for all locations.

Kane Polakoff

**LABOR CATEGORY:** [Conversion Instruction Analyst]**KEY:** [yes]

Academic **University of California at Riverside**, Riverside, California, June 1996
Qualifications BS Business Administration, Minor Spanish

Previous Experience I am professional leader with extensive experience in strategic planning and in meeting business needs through the creative use of computer systems. Skilled in project management, system analysis, and communicating with clients.

Started my career with Accenture (formerly known as Andersen Consulting. The following is a summary of qualifications during my tenure at Accenture.

- Five and a half years of technology and business consulting experience
- Managed projects in excess of three million dollars
- Consistently rated in the top 10% of consulting personnel
- Experience in leading large cross functional teams, in executive level interaction and in the delivery of business/technology solutions on time and within budget
- Add value in numerous industries such as Electronics, Manufacturing, Banking, Insurance, Retail, Transportation and Service sectors
- Proven success in multiple roles within projects including project manager, design lead, business and testing lead
- Ability to absorb business content and apply technology
- Business Skills: project/program management, new business development, account management, operations, customer care, performance management, team leadership, process management
- Technology Skills: eBusiness/information technology strategy, enterprise systems, reporting, site metrics

I am a Director within the Data Capture division at Lason. Data Capture is a division of Lason providing conversion services for insurance, health care, banking, manufacturing and public sector customers. My role is managing the new products and services we are offering to the market place such as Claims Adjudication. I work closely with our customers gathering requirements, developing projects plans and implementing the plans. I also communicate daily with our offshore facility to ensure that we meet our turn around time and quality standards.

The following are some details about my experiences at Lason:



- Managing the effort of an eight person team processing claims for a healthcare company
- Developed documentation such as Success Factors Matrix and functional requirements documentation with the client to help manage the projects
- Created Statement of Work document for two health care companies.
- Helped facilitate the training program for the new line of business, Claims Adjudication
- Creating Marketing collateral for Claims Adjudication to be used by the sales force
- Developed pricing model for new projects
- Prepared presentations and facilitated meetings with clients to determine desired functionality.

**SRI RAJAGOPALAN****LABOR CATEGORY:** [Ramp-up specialist]**KEY:** [yes]

Academic

Qualifications M.S.A - Central Michigan University, Michigan, USA
- 2002

2000

Major: Software Engineering Administration

B.S.A - Walsh College, Troy USA**1990 - 1992****Major: Finance**Experience
at Lason

Director of Operations for Lason, a division of Lason providing conversion services for insurance, banking, manufacturing and public sector customers. Managing day to day to deliverables and make sure we deliver as per customer requirements. Communicating with the onshore/offshore conversion facilities to ensure customers, quality and time requirements are met successfully.

MICHAEL MILLER**LABOR CATEGORY:** [Project Manager Candidate]**KEY:** [yes]Academic
Qualifications

- Bachelors of Science in Information Technology
 - University of Phoenix
 - Current GPA of 3.78
 - Will be completed mid 2004

Previous
Experience

- Hired 8/96
- System Engineer
- 1999 – 2002: Core team member in most major system setups. Assisted senior engineer in project design development and testing.
- 2001 – Present: Envisioned, designed and implemented a system of web reports to assist operations in maintaining an orderly production shop. Internal web reports for tracking customer data can now be found throughout the organization
- Lead Visual Basic developer. Envisioned and led the initiative to move from expensive UNIX based material tracking systems, to windows based systems. Migrated system databases from proprietary database formats, to industry standard SQL.
- Lead CTrack developer. Developed and supported main inventory control system. Analyze new projects and apply inventory control system to satisfy requirements of both internal and external customers.

**SRINI MURALI****LABOR CATEGORY:** [Systems & Technical Development **KEY:** [yes]

Manager]

Academic 1993–1994 D.B. Jain College Institute of Management:

Qualifications Chennai, INDIA

Diploma in Business Management.

1990–1993 University of Madras

Chennai, INDIA

B.Sc., Mathematics.

1991–1993 Computer Literacy and Chennai,
INDIA

Appreciation Network

Diploma in Computer Programming & Applications.

Experience at Technical Manager – Systems Development

Lason

Skills: C, C++, Visual C++, Visual Basic, Oracle, SQL Server,
Louise, PERL, SGML, HTML, Third Party Imaging products,
Project Management, TQM Methodologies.**Roles & Responsibilities:**

- Managing a Team of 3 engineers with 21 engineers working in India for off shore development.
- Implemented Health Claim Image & Data capture system for the above Health Care clients. Complete System includes Scanning, Data Entry at India, and Customer specific output like NSF, ANSI 837. Archiving and Standalone or Web Based Image & Data retrieval are adLasonion to the system. We are Currently processing more than 150,000 different types claims including HCFA, UB92 and Dental and other Medicare forms per day.
- Increased scanning productivity from 3000 pager per hour to 9000 pagers per hour there by reduced the labor cost by 100,000 \$s and increased document turnaround time.
- Implemented 16 hours turnaround project for capturing airway bills data using the above system.
- Critical player in the team from the beginning. Started with 200 documents per day in 1998 and we now are processing more than 300,000 documents in various form types.
- Designed server redundancy for business continuity and contingency plan.
- Designed and Implemented complete web tracking system for tracking every document in the production.
- Currently responsible for implement HIPAA regulation s in the Health Claim Processing System

**ENRIQUE DONNADIEU****LABOR CATEGORY:** [Production Planning and Control Manager] **KEY:** [yes]

Academic

Qualifications

- Masters – Finance (partial studies completed)
LaSalle University, Mexico, 1994
- BS Computer Information Systems
ITESM Monterrey, Mexico, 1990

Experience at
Lason

- 1997 – 1999 Director IT, Caribbean Operations, Digital Imaging and Technologies.

Stationed in Barbados, WI, In charge of all computer network systems programming and software support for production sites in Barbados and Grenada. Over 500 users in both sites servicing more than 30 customers in various conversion projects. In charge of system design and implementation for a wide range of Text and Publication conversion projects as well as Forms processing applications.

- 1999 – 2000 Director MIS, Mexico, Digital Imaging and Technologies

Stationed in Obregon, Mexico. Responsible for recruiting and creating the Software Development team, formed by 15 system analysts, engineers and network administrators. Managed IT department charged with design, implementation and support of conversion programs for over 50 projects processed by more than 2,000 operators in China, Mexico, Grenada, Barbados and the US.

- 2000 – 2002 Director Customer Service, Lason Data Capture – Anaheim

Stationed in Anaheim, CA. Managed a team of 6 Project Managers and Customer Service Representatives for customer projects resulting in over \$10,000,000 dollars in yearly revenue. Directly responsible for ramping up and managing projects with yearly revenue ranging from \$100,000 to over \$2,500,000. Participated in downsizing the Anaheim facility to consolidate Lason's Data Capture operations with no effect to Service Level Agreements. Managed implementation and in some cases design of "pioneer" data capture applications, e.g.: payee data, mortgage loan data, car loan application data.

Worked with health claims customers to develop data capture and data reformatting routines used to improve auto-adjudication rates.

- 2003 to date Director CRM, Lason Data Capture
Stationed in Troy, MI. In charge of project management, contract compliance and commercial review. Successfully transitioned Customer Relationship Management responsibilities for Mexico projects from the Anaheim office (formerly Lason) to the Data Capture Headquarters in Troy. Assisted sales with several new customers including a multi-



million project. Managed several project ramp-ups for new and existing customers in India and Mexico. Currently forming a team of project managers and project coordinators to seamlessly incorporate best practices in some of the legacy projects being processed. Also currently developing and implementing new value added service offerings for existing customer, e.g.: Web based display of EOP's, pre-adjudication co-sourcing, amongst others.

**KARTHIK SRINIVASAN**

LABOR CATEGORY: [Customer Relationship Manager], **KEY:** [yes]
CRM

Academic

Qualifications Currently pursuing MBA, Wayne State University,
Major: Management Information Systems
2003-Till date

Certified Project Management Professional (PMP), Project
Management Institute
2003

Certified Cost Accountant, Institute of Cost & Works Accountants
of India (ICWA)
Major: Cost Accounting
1991-1993

Bachelor's Degree in Science, University of Madras
Major: Mathematics
1991-1994

Experience at Technical Project Manager
Lason June 1994 – Till date

Over 9 years experience in successfully managing, analyzing,
designing, architecting, developing and deploying small, medium
and large scale projects & applications on a variety of software
and hardware platforms for customers in different vertical sectors.

EXPERTISE

- Technical Project Management
- N-tier Application Development
- Content Management & Electronic Publishing
- System Architecture
- Systems Integration
- Workflow and Document Management Systems
Development & Deployment
- Customer Relationship Management (CRM)

Managing project scope, cost, time, quality and resources



through systematic project management principles. Interface involves interaction with managing global offshore Lason facilities, onshore Lason Imaging facilities, and focused customer interface to deliver customer requirements.

Market place serviced for customers and projects include, but not limited to e-content services, procurement workflow, electronic publishing, mortgage loan processing, forms processing for healthcare and survey industries, data mining & conversion services. Responsibilities included project planning, *design and deployment of workflow-driven systems & software solutions*, estimation, budgeting, tracking cost, customer management and project integration management.

**WINSLOW TECHNOLOGY INC.****JEFF WIEHL****LABOR CATEGORY:** Sales**KEY:** yes**SUMMARY OF RELEVANT EXPERIENCE:**

Mr. Wiehl is the Chief Operating Officer of Winslow Technology, Inc. He currently manages a number of information technology related projects for the Michigan Department of Community Health. For the past three years he has had management responsibility for the Medicaid Uniform Billing and HIPAA Code Set Conversion projects that provide the Michigan Medicaid program with staff, technical assistance, and provider outreach services. As a member of the Medicaid Uniform Billing Project's communication and education team, he has worked directly with medical provider organizations to educate Medicaid providers on how to successfully adapt to changes in billing procedures. As the former national chairperson for the Committee on Immunization Registry Standards for Electronic Transactions, and former member of the CDC's Technical Workgroup on Immunization Registry Functional Standards he has a strong understanding of issues related to implementing electronic transactions for healthcare agencies.

- 10 years of information technology project management in the governmental health care environment.
- 3 years of experience in communication/outreach with Michigan Medicaid provider groups on uniform billing conversion.
- 3 years of experience in national implementation of electronic transaction standards for immunization data.

EDUCATION:

MA, Anthropology, Michigan State University, 1989

EXPERIENCE:

Chief Operating Officer	Company 1
Winslow Technology, Inc. – Okemos, MI	November 2003–current

Chief Operating Officer	Jeffrey Taylor, Executive Director, (517) 324-8302
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Responsibility for the daily operation, ongoing performance, and strategic development of Winslow Technology, Inc., a technology services company with strong experience in government and healthcare technology support. Provides expert consultation on healthcare informatics, public health information systems, electronic data interchange, and provider outreach/marketing.

Director of Technology and Information Systems	Company 2
Michigan Public Health Institute – Okemos, MI	November 1997–October 2003

Sr. Program Director	Elaine Beane, (517) 324-8351
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Managed multi-component project to support the Michigan Medicaid program's HIPAA planning effort as well as uniform billing conversion project. Oversaw multiple subcontracts and staff to meet evolving needs of the Medicaid program. Included Internet based billing pilot for Medicaid managed care participants, provider outreach for uniform billing conversion, supplemental staffing for subject matter experts, and project managers.



Program Director, MDCH MIS Support Project

Elaine Beane, 517/324-8351

Supervised supplemental staffing for information technology staff for public/community health related data system development and support including, Medicaid uniform billing conversion, Medicaid prior authorization system, WIC online system, Michigan Breast and Cervical Cancer Tracking System, Michigan Childhood Immunization Registry, Central Paternity Register, OBRA system redesign, School Immunization Record System.

Project Coordinator, Michigan Childhood Immunization Registry Support Elaine Beane, 517/324-8351

Managed multi-component project to support the Michigan Childhood Immunization Registry, including data quality analysis/assurance, technical support to regional staff, provider outreach and education, representation on national standards setting organizations, supplemental staffing for system development and support.

Senior Data Analyst

Michigan Association for Local Public Health – Lansing, MI

Company 3

1993-1997

Project Manager, Michigan INPHO

Staffed and managed technical assistance project supporting Michigan's Information Network for Public Health Officials (INPHO) grant from the federal Centers for Disease Control, and TIIAP grant from the federal Department of Commerce. The project supported LAN/WAN conversion and integration for Michigan's local health departments.

Manager, Healthline

Managed the development of an online information system providing Internet service, content, and communications for over 1,000 active users. Was involved in all facets of the system including requirements analysis, system design, testing, operation, and support. The system is still in operation and growing.

RELEVANT TRAINING AND CERTIFICATION:

IT Project Management (Gartner Institute), Microsoft Project 2000 (beginning, intermediate, advanced), "Complying with HIPAA and New Information Standards (Heritage Professional Education),



LABOR CATEGORY: Customer Service
Delivery

KEY: yes

SUMMARY OF RELEVANT EXPERIENCE:

Seven years of Information Systems Project Management including project methodology and reporting structure and forms as outlined in the proposal including:

- Project plan development
- Develop project structure and reporting methodologies
- Coordinate and provide structure and support for the Executive Steering Committee.
- Schedule and run project team meetings and work groups.
- Development of and update The Project Charter
- Provide reporting on resource utilization and expenses.
- Monitor Staff availability and asses the impact on the project
- Assist in contract negotiations and language for products and services to support the project

Nine years of non-systems Project Management:

- Hospital Revenue Cycle re-engineering
- Product line development
- Service Acquisition
- Certificate of Need Requests

Seventeen years of Healthcare Experience

In addition to the above project management activities I have worked on numerous project involving Michigan Medicaid billing and edibility projects that include:

- Development of Computerized billing platforms
- Electronic Claims submission facility and professional to MSA
- Electronic Remittance processing
- Provider claims clean-up
- Michigan Medicaid application preparation
- Cost Report Appeals
- Special project work for providers working with management at MSA
- Sparrow HIPAA steering committee

**EDUCATION:**

BA, Accounting/Business Administration, Alma College, 1983

MHA, Healthcare Administration, Kennedy-Western University, 1988

EXPERIENCE:

General Manager

Winslow Technology, Inc. - Okemos

Company 1

November 2003–current

General Manager

Jeffrey Wiehl, Chief Operating Officer, (517) 324-8325

Serve as the overall project manager for this engagement coordinating all of the various project tasks and sub projects, act as a single point of contact for all work being performed for MDCH.

- Relationship Building with the client and contractors
- Coordination of work performed
- Oversight of all projects
- Multi year multi million dollar project management experience
- Operational Improvements
- Project plan development for timeline, staffing and budgets.
- Assist management with filing of required report to the federal government.

Engagement Manager

Michigan Public Health Institute - Okemos, MI

Company 2

January 2002-October 2003

Engagement Manager, MDCH HIPAA Implementation Jeffrey Wiehl, Program Director, (517) 324-8325

Served as the overall project manager for this engagement coordinating all of the various project tasks and sub projects and contractors making up the team, single point of contact for the State.

- Relationship Building with the client and contractors
- Coordinated the work of five firm consortiums
- Oversight of 12 project managers, and 35 analyst
- Multi year multi million dollar project
- Operational Improvements
- HIPAA Privacy and Security work
- Project plan development for timeline, staffing and budgets.
- Assist management with filing of required report to the federal government.
- Coordinate outreach and education efforts with other major payers in the state.



Management Consultant
Superior Consultant – Southfield, MI

Company 3
March 2001-July 2001

Project Manager, Lawson HR Payroll Assessment and Gap Analysis Scott Wallace, (937) 266-0153

Performed several Lawson Pre-Implementation readiness assessments for an Human Resource Payroll Suite

- Project Management
- Payroll assessment
- Gap Analysis
- Lawson best practices
- Interface Maps
- Documented an understanding of current and desired future business states.
- Project plan development for timeline, staffing and budgets.

Applications/Project Director
Sparrow Health System

Company 4
December 1996-March 2001

Project Director Lawson Financial Systems Robert Glaser, CIO
Project Director for the Implemented and ongoing support and training and upgrades for the following Lawson Financial Systems for Y2K compliance:

- Financial Suite 7.0.8
- Human Resource Payroll Suite 7.1.2
- Materials Management Suite 7.0.8
- Oracle 8i
- HP UNIX 10.x/11.x

Used a three tier reporting structure, first tier was the project Team meetings. The second tier was the director of the effected areas which formed the steering committee. The third tier was the executive steering committee. The detail of the reporting ranged from a 14,000-line project plan, to a dashboard report for the executives.

Director of Applications, STAR Patient Care/Accounting Systems Robert Glaser, CIO
Oversight of the Implementation of the HBOC STAR system, and the merger of the two hospitals onto one common platform for merger and Y2K issues.

- Patient Accounting
- Patient Order Entry
- Pharmacy
- Radiology
- ADT

RELEVANT TRAINING AND CERTIFICATION:

PMI and Microsoft Project Management Methodology Training, American College of Healthcare Executives -Certified Healthcare Executive, Microsoft Project Training.

**MARC RAKAS**

LABOR CATEGORY: Communications
Consultant

KEY: yes

SUMMARY OF RELEVANT EXPERIENCE:

Mr. Rakas is the President of Fahrenheit Creative Group, an Okemos based communications firm. Marc provides strategic planning, consultation and outreach material development to Michigan Medicaid Programs. He has also created strong relationships and partnerships with Michigan's provider organizations. Marc has been providing outreach communication, education and training for over 20 years to various Michigan based organizations, associations and their members.

He has worked with the Michigan Department of Community Health's outreach team on the HIPAA Transactions, Medicaid Uniform Billing, and Electronic Fund Transfer programs providing information and facilitating education and training to Medicaid provider organizations and their members. Mr. Rakas has worked diligently to create effective partnerships and relationships with these provider groups. His personal efforts and the communication tools he's created have helped provider organizations successfully educate their members about new programs from Michigan Medicaid.

Mr. Rakas has the ability to simplify complex Medicaid projects under tight deadlines with multiple audiences and deliver finely tuned outreach programs with clear and concise messages. The outreach materials we create are successful because the messages communicated are simple and to the point. Pertinent information is written in plain English and boiled down to a series of easy to understand action steps. Informative materials include e-newsletters, electronic flyers, brochures, articles for publication, power point presentations, cd-roms, videos and comprehensive web sites.

EDUCATION:

BA, Advertising, 1983, Michigan State University

EXPERIENCE:

President/Project Manager
Fahrenheit Creative Group - Okemos

Company 1
1984–current

President/Project Manager (517) 347-9733

Provided project supervision in the development of outreach programs. Developed strategic plans to focus activities on key objectives. Interviewed key stakeholders and conducted focus group research to identify themes, messages and visual elements that could successfully be incorporated into creative development.

Mr. Rakas has developed innovative outreach and education programs for the following healthcare clients and projects:

- HIPAA Transactions
- Trading Partner Agreement (TPA)
- "Subscribe to list serve" (e-mail from Michigan Medicaid to electronic billers)
- CIRSET



- MCIR
- Healthline
- Electronic Fund Transfer
- Mihealth card
- Medicaid Uniform Billing
- Tobacco Free Michigan
- Michigan Health and Hospital Association
- Medicare Plus from BCBSM
- AIDS Walk Michigan
- MICOA
- Ingham Regional Medical Center
- Sparrow Hospital
- Health Central
- Greater Lansing Food Bank
- Lansing Ophthalmology
- American Red Cross

Mr. Rakas has also created innovative outreach programs for other clients, such as:

- School to Work
- Michigan Truck Safety Commission
- Corn Marketing Program of Michigan
- Michigan State Police
- Michigan's Office of Highway Safety Planning
- Cherry Marketing Institute
- Commercial Vehicle Safety Alliance

**LINDA MCCARDEL****LABOR CATEGORY:** Medicaid Policy Specialist**KEY:** no**SUMMARY OF RELEVANT EXPERIENCE:**

Medicaid policy background with over 15 years experience in successful research, development and implementation of innovative healthcare policy and reimbursement methodologies. Comprehensive knowledge of Medicaid and Medicare laws, services and limitations, and claims processing requirements for health professionals. Broad scope of expertise in key areas such as:

- Medicaid policies and procedures
- Reimbursement mechanisms
- Practitioner and hospital billing
- Managed care concepts
- Immunization policy and EPSDT
- Systems design and internal edit processes
- Troubleshooting problem claim resolution
- Provider relations and communication
- Code sets and medical terminology
- Injectable drug/biological use & pricing
- COB policy and claims processing

EDUCATION:

Medical ethics classes, advanced math, French language, Michigan State University

Business and professional development classes, Lansing Community College

EXPERIENCE:

Business Analyst

Winslow Technology, Inc. – Okemos, MI

Company 1

November 2003–current

Business Analyst

Jeffrey Allison, General Manager, (517) 324-7369

Member of HIPAA Implementation Team. Provide policy support to ensure technical transactions reflect payer's policy requirements. Assess and recommend solutions to eliminate proprietary code sets for HIPAA compliance. Assist in coordination of benefit transaction implementation for HIPAA compliance.



Business Analyst
Michigan Public Health Institute – Okemos, MI

Company 2
August 2002 – October 2003

Business Analyst Jeffrey Allison, Project Manager, (517) 324-7369

Expert in analyzing healthcare coding policy and implementation for Medicaid programs. Represents Michigan in national Medicaid coding standards development committees. Educates Michigan's Medicaid policy analysts about issues and changes in national coding standards.

Policy Specialist
Michigan Department of Community Health – Lansing, MI

Company 3
1987-2002

Policy Specialist

Specialized in Medicaid physician/practitioner policy. Researched, developed and managed implementation of complex policy initiatives in state Medicaid program. Coordinated system edit design and claims processing with policy implementation. Ensured Medicaid program compliance with state and federal laws and regulations. Developed recommendations for budget savings. Represented management and participate in key meetings and projects at the state and federal level.

Claims Processing Supervisor
Michigan Department of Community Health – Lansing, MI

Company 4
1975-1987

Claims Processing Supervisor

Supervised up to 12 technical and paraprofessional staff responsible for processing excepted medical claims. Oversaw the development and implementation of written processing guidelines. Ensured that computer system internal edits complied with policy intent and reimbursement strategy. Recommended and implemented system design changes to increase processing accuracy and efficiency. Coordinated work processes and tasks to minimize pended claim backlog.

RELEVANT TRAINING AND CERTIFICATION:

Membership with Workgroup for Electronic Data Interchange (WEDI)



SECTION IV
VENDOR PRICING

NORDIC WILL BE PROVIDING SERVICES FOR CATEGORY 1 PAPER CLAIMS AND CATEGORY 2 PAPER CLAIMS (COB) AND CONVERSION. PRICING AS FOLLOWS:

CATEGORY 1 PAPER CLAIMS

100,000 CLAIMS AT \$1.45	\$145,000.00
200,000 CLAIMS AT \$1.25	\$250,000.00

CATEGORY 2 PAPER CLAIMS (COB)

150,000 AT \$1.45	\$217,500.00
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CONVERSION

200 PROVIDERS AT \$1850.00	\$370,000.00
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TOTAL	\$982,500.00
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